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WEEKLY NEWSMAGAZINE

Maclean's

AUGUST 17, 1998

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From The Managing Editor

All aboard the unity train

Twenty-one summers ago, when the premiers of Canada assembled in glorious St. Andrews, N.B., for their annual provincially-only conference, the leaders of the nine English provinces faced a challenge. Led by their first premier, Richard Hatfield, they struggled to accommodate a new phenomenon—a separatist premier from Quebec, in the person of René

Levesque, who had been elected the previous November. Could they resist common cause with a separatist? Could they do what premiers always seek to do at their summer gatherings, present a united front to the federal government in the face of whatever intrusions, transgressions, indignities and other humiliations Ottawa might be inflicting on the provinces that particular season?

They failed in St. Andrews in 1977. The issue there was that most nettlesome of Canadian causes—language. Levesque offered to change Bill 101, his famous (or infamous) language legislation, so as to broaden access to the English school system in Quebec—if the English Nine would negotiate reciprocal agreements with Quebec to guarantee French language education to the French-speaking minorities in their provinces. When the Nine demurred (breached, in essence), Levesque declared a better description of their reaction, Levesque took his ball and went home, releasing his first Statement on Language. He left the conference early—probably long enough, however, to join the others in a spot of last-minute over-eating and price controls, the conduct of Canada-U.S. relations and the taxation of resources.

Editor-in-Chief Robert Lewis in an occasion



Levesque, Parizeau in Saskatoon (right) common cause?

Fast-forward 21 years, to Saskatoon last week and the 1998 version of the premiers' conference (page 38). There's a new generation of premiers, but some things are similar. The separatists are back in power, under Jacques Parizeau. Because Parizeau boycotted last year's meeting, the Nine were mighty nervous about his motives and intentions when he showed up in Saskatoon. Would he use the gathering as a platform to show soft intentions and wobbly federalists back home in Quebec that federalism cannot be made to work? Or would he support the Nine's efforts to, in their view, make federalism work better by extracting larger concessions from the feds?

It can be argued that, by getting Parizeau to sign on to a united provincial front, Saskatoon succeeded where St. Andrews failed. Of course, the learning issue wasn't language, it was what they called the "social union." In plain terms, money. Every province wants more cash and tax points from Ottawa and fewer strings on how they spend the money.

The differences among them are ones of degree, not principle, with most of the Nine being prepared to grant Ottawa a louder voice in how they spend federal funds than Quebec. It is a welcome development to have Parizeau onboard, but however long he chooses to ride the unity train. But while the Nine have full faith, the hair money of Saskatoon wasn't amount to anything unless they can persuade the Chastel government to embrace the reason of the social union. A grateful soul wouldn't be the least.

Jeffrey Hume

Newsroom Notes:

Big Brother is watching

There is one sure way to pique a curious reporter's interest—decline his or her request for an interview. That denial will prompt the inevitable question: what are they trying to hide? That is what happened when Maclean's National Business Correspondent Kimberly Noble first approached Toronto-based Loyalty Management Group

Canada Inc., which runs the popular Air Miles program. Declined Noble, after their initial refusal. "Now, I really want to see what they're up to," Loyalty's CEO Craig Underwood did eventually speak to Maclean's, to provide interesting insight into the growing field of data-mining. The topic provided more than the usual number of watercooler conversations—see



Noble, curiosity

staff was directed. Some said they feel awkward that marketers knew so much about them. But others, like intern Derrick Crossy, who wants the job as what theists can do with personal data, appreciate the notion that marketers can tailor their pitches. "They're going to send me stuff anyway—it might as well be stuff I'm interested in," Associate Editor John Schofield looked into a different group—the so-called fax broadcasters who send out millions of pages of junk faxes each year. Assistant Managing Editor Ross Laver co-edited the cover package, and it was edited by Senior Writer Barbara Wickens.

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As a Canadian possessing the unique credentials of having been a resident of each of three territorial capitals (Whitehorse, Yellowknife and Inuvik) over the past 15 years, I was very pleased to see your feature article on "The new North" (Cover, Aug. 30). And I was particularly pleased to read the editorial comment by Robert Lewis on the North, which he calls "the last frontier, a land of mystery and wonder that we of this region, and which helps to define it (Canada) as a northern people." ("Reminders of who we are." From the Editor). Canadians are indeed not their people; a fact supported by our national anthem, O Canada ("true north strong and free"), geographically by the definition of our being the most northerly inhabited community on the planet (Canadian Forces Station Alert), and symbolically by the unique arrowhead shape of our country (constitutively pointing north). Canadians must recognize that our North, which comprises approximately 40 per cent of our landmass, is in every important part of our past and a critical part of our future.

Don Johnson,
St. Albert, Alta.

LETTERS TO THE EDITOR

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K.C.'s integrity

We are willing to express our deep disappointment in Maclean's and in Peter C. Newman for the column published about our father, K. C. Irving ("How could K. C. Irving make the list?" The Nation's Business) in the July 13 issue of the magazine. We felt the article was terribly unfair. We would have expected better from both the writer and the magazine. We, and all the members of the Irving family, were most appreciative two weeks earlier when apologetic comments by Maclean's and headed by historian Jack Granatstein recognized our father and his most important achievement in Canadian history. Although our father did not seek accolades, when honored he would often comment that "others were more deserving." Ironically, he would also say he wished to "share the honor with the fine men and women" he had gathered around him.

To the family, and to those who knew our father, being named Canada's leading entrepreneur was recognition of his many accomplishments as an individual and for his contributions to the economic advancement of New Brunswick and this section of Canada. We therefore were shocked by both the content and the tone of Newman's discrediting column. His interpretation of our father's philosophy, in contrast to how he actually operated his businesses, and the lessons he passed on to his family, are at opposite ends of a very long pole. Our father always told us to get the best deal possible, but he told us something else as well. He said once we made a deal we had to live up to every part of it. He expected others to do the same. He was a hard worker and a tough negotiator. Above all else, he was scrupulously honest.

To have him compared to David Walsh of the Ben-X gold mine scandal was a lowering insult. We were shocked and saddened that Maclean's would publish such a comment. There is another point we would like to make. We had a fine father and a wonderful mother. Our mother did much to shape the lives of all of us. She knew our strengths and our weaknesses. If she were here today she would not even recognize the man so recently depicted by Newman, and if she had ever known such a man she would not have had anything to do with him. Perhaps that best describes our family, and we believe, how many Canadians who knew our father felt about the Newman report. The K. C. Irving

Specious claims

In "On the trail of looted art" (Special Report, July 27), you point out that the return of stolen and illegally exported art treasures is governed by moral, national and historical politics. As long as the museums are left to make their decisions based on morality, it is unacceptable for the Montreal Museum of Fine Arts to refuse to return Giorgio Vasari's *Masaccio's Feast at Cana* to the Badami Museum of Fine Arts on the basis that, as stated by the Montreal museum's spokesman, the acquisition "wasn't illegal, it was immoral." Surely, even in 1984, the museum must have known that a painting by a Renaissance Italian artist would not be sold for \$100 or even \$2,000 unless its origin was highly questionable. Canada has always prided itself on being on the vanguard of morality and the Montreal Museum of Fine Arts, which receives almost \$20 million per year in general revenues (and funding from the Quebec government and public donors), should not be allowed to fall back on specious and reprehensible arguments.

Leslie Aloush,
Montreal, Que.

in that article was not the man we know. As a matter of course, we try not to become engaged in public debate about our family, but in this case we felt compelled to reply as the Newman report was so personal and so damaging to the necessary, the reputation and the integrity of a man who is no longer here to defend himself. While the article was clearly written by a well-known Canadian author, we do not think it did anything to revitalize his reputation as a writer, or Maclean's as a magazine.

Jim Irving
Arthur Irving
John Irving
Benjamin, N.B.

A superb job

It is disturbing to read of criminal behavior and sexual abuse in our military (Ciboule report, Cover, July 13). None of this misconduct is acceptable, of course, and it must be dealt with vigorously, just as the military of delicate and the chief of the defence staff are doing. Nonetheless, the increasing allegations have a serious effect on morale in the Canadian Forces and on recruiting. Yet many of the recent allegations relate to incidents that occurred 10 or even 20 years ago. New procedures have been applied to prevent as expeditiously deal with

Automotive Marketplace

ONTARIO

PRICING OF VEHICLES

Dennis DesRosiers



I have been an automotive analyst for close to 30 years and without a doubt the most frequent question I am asked is, "How do I get a good deal on a vehicle?" A number of closely related questions also fall into the

same category. They include:

- "How much profit is there in a vehicle?"
- "Are incentives a good deal?"
- "How are prices established in the automotive industry?"
- "A friend of mine negotiated a lower price for his vehicle but my dealer wouldn't lower his price... why?"

They have been "ripped off" when their actual monthly payment is much higher than the advertised price. The vehicle companies also report multi-billion dollar profits which misleads, in consumers' minds, that they have overpaid for their vehicles.

It is important for consumers to understand the pricing structure within the automotive sector. There are actually three different groups involved in bringing a vehicle to market and thus there are three levels of pricing in the industry.

First are the actual manufacturers of the vehicles. They sell their vehicles from their factories to their distribution arms, establishing what is known as the "Factory Price." Most people do not realize it, but there are actually two arms to GM, Ford, Chrysler, Toyota, Honda etc. One manufactures vehicles, the other distributes them. A vehicle company's distribution group purchases its vehicles from the manufacturing arm and the factory makes a profit selling those vehicles. This profit is part of the billions reported by the vehicle company but consumers have no access or influence on this price.

The car dealer then purchases vehicles from the vehicle company's distribution arm, at what is known as the "Dealer Price." The vehicle company also makes a profit at this level. Some of this profit is often passed onto consumers in the form of incentives.

The dealer then sells the vehicle to the consumer at the "Manufacturer's Suggested Retail Price" (MSRP) and makes a profit on these sales. So there are three pricing levels and three sets of profits in each vehicle sale. Consumers only see and can

only influence the list price, at the dealer level. The large profits reported quarterly by the vehicle companies have little relation to dealer profits.

There is actually very little profit at the dealer level. In most cases the dealer has little room to negotiate price with the consumer. Gross profits per vehicle at the dealer level could vary between \$500 and \$5,000, but they average between \$1,000 and \$1,500 per vehicle. And that is gross profit. From that profit the dealer has to pay the sales and administrative staff and all the other expenses involved with operating a dealership. It is quite common for dealers to lose money in their new vehicle departments after all expenses are paid. "Hot" vehicles, such as sport utilities, would be an

exception, but it should not surprise anyone that dealers are not eager to negotiate lower prices since there is so little profit in the new vehicle sales. So how do dealers make money?

They generally make their profit on what we call the "history" of the vehicle, not its sale. For instance, if the consumer finances the vehicle through the dealer, the finance company would pay the dealer for putting the consumer into their loan. If consumers go back to the dealer for parts and service work, the dealer makes profits. If consumers trade in a used vehicle then dealers will wholesale or retail it and make money in their used vehicle department.

And remember the profit the vehicle distributor made selling the vehicle to the dealer. The distributor will often provide an incentive to the

dealer to sell certain vehicles and share some of the profit with the dealer. We call these arrangements "dealer incentives" and they are invisible to the consumer. If there is a dealer incentive available, then the dealer may be willing to negotiate lower prices for some of their customers. For example, if a dealer sells 20 units of a specific model, they may be given an extra \$500 per vehicle, or \$10,000 from the distributor. If they only sell 19 they do not get anything. Dealers are very motivated to reach their target and will often give a consumer a better price if they are close to meeting it. If they have already made their target, they are unlikely to negotiate. The problem is, consumers never know and have no way of finding out when they are in a good position to negotiate. Moreover,

1998 CLEAR-OUT EVENT

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Things have gotten a little out of hand around Chrysler showrooms lately.

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WOMEN

Dominant Force in Automotive Market



Robert K. (Bob) Pierce
CEO GADA/ADA

Women account for more than 50 per cent of all automotive purchases

Canadian women have rapidly become more influential players in the automotive industry — both as consumers as well as holding key positions within the industry itself, says Bob Pierce, Chief Executive Officer, Toronto Automobile Dealers' Association.

"Women have attained the presidency of Canada's two largest automotive companies. They account for more than 50 per cent of all automotive purchases and are looking at the automotive industry in increasing numbers as a career," Pierce adds.

"This is a huge shift from what was once considered a male dominated industry."

Self Confident

Bryndon Davies, general manager for Parkway Honda in Toronto, says the growing influence of women in the automotive marketplace has been especially strong in the past decade.

"This reflects the fact that many of today's women are better educated and more self con-

fident and are working professionals, managers and owners of businesses."

"Purchasing an automobile is not a luxury for them, but a necessity to meet the demands of their busy schedules."

Davies says that most women are concerned about a vehicle's reliability, performance

and safety first. Fashion, design and color are not as important in their purchasing decisions.

"About 60 per cent of their purchases are smaller, more practical vehicles that do not include a lot of appearance options. Most women are not interested in purchasing things that can go wrong and are very

competent price shoppers."

The influence of women is also being felt at the dealership level, Pierce notes.

"A few years ago, there were hardly any women working in our industry whether as salespersons or in the service bays or as owners."

"All of that is changing. In the past decade the number of women at the dealership level working in sales or service capacity has gone from almost zero to about 20 per cent of the total

work force. As more and more women find out about the opportunities in our industry, we expect the trend to continue."

"While there has been a strong increase in women involved in the sales and management side of our business, we have not experienced the same growth in the service departments," Pierce says.

"We are hopeful that more women will enroll in technical service courses as there is a good future for them."

"An increase of women in the sales, service and management of our dealerships will be good for our industry. Like the real estate industry, many of our customers perceive women to be approachable, knowledgeable and less intimidating."

"Their growing influence on our industry will continue to be felt at both the consumer and corporate levels — including, we hope, an increase in the number of women heading up dealerships." ■

S70 Sedan suits Volvo's new image

Volvo has a reputation for producing high-quality, dependable and — above all — safe automobiles. It's an admirable reputation, and one that once kept Volvo's image firmly planted on the practical side.

Then, about two years ago, that image began to evolve. Volvo introduced the graceful C70 Coupe, and followed it with a shapely, more aggressive-looking S70 Sedan.

In doing this, Volvo emphasized what loyal Volvo owners knew all along: that ordinary-looking Volvos concealed sporty handling, powerful brakes and spirited performance beneath their conservatively styled exteriors.

Now, Volvos also look like they're fun to drive.

Volvo is taking a more aggressive stance in the marketplace, as well. Nowhere is this more apparent than in the specially-equipped S70 GTA that Volvo owners call the "volvo car."

With Volvo Financial Services' remarkably affordable lease and finance arrangements on this model, it's tempting to think that some amenities have been left out in order to meet a target price. In fact, this special Volvo includes every feature on the S70's extensive standard equipment list. Plus, it boasts high-value extras like leather interior, CD player and alloy wheels.

What further surprises might we expect from formerly-staid Volvo? The C70 Convertible arrives in Canada this fall, and there are hints of another exciting new model to follow soon after.



Volvo C70 Convertible



Maclean's
A Selection of the Best
Magazines in Canada

Editorial Update

Maclean's: beyond the news

When it comes to keeping up with news events in Canada and around the world, Maclean's has been a must-read since it became a weekly newsmagazine 50 years ago last month. The *Canada Business* and *World* sections regularly feature articles of special interest to Canadians.

Maclean's award-winning team of editors and writers also offers readers special *Personal Finance* reports, polished by weekly and examining such subjects as IRSPs, saving for retirement and technology. Plus, monthly reports on technology, the well, the magazine is committed to keeping and integrating health and educational developments both at home and abroad.

Maclean's weekly *Health* section makes sense of the swirling deluge of medical reports and research with timely features and "Health Monitor" updates. Recent reports have included groundbreaking provincial comparisons of health-care services, a critical look at the Internet as a health resource and an examination of new therapies to treat depression.

In the face of rising costs, government cutbacks and increasing demand, education in Canada is designing major reform. In addition to Maclean's' weekly coverage, university ranking surveys, the magazine's weekly *Education* section tracks those developments, providing relevant information on such important topics as learning disabilities, experimental teaching approaches and rising tuition costs.

Maclean's'—discussing what matters to Canadians every week.

Newsstand Notes



Web Site News

Maclean's on the World Wide Web serves up a variety of stories from the current week's issue. Our website is <http://www.macleans.ca>.

Our Internet edition also offers:

- **Maclean's Weekly Selections** — Information and entertaining links sent just to the week's top stories, selected by Maclean's Canada and Maclean's.
- **Maclean's Readers** — A selection of private stories submitted by our readers (subject to our review).
- **University Rankings** — Our annual look at universities, plus a directory with links to university Web sites.
- **Maclean's Forum** — A place to speak out on news of the day.

The Maclean's Guide to Canadian Universities 1998

This definitive guide features comprehensive, current profiles of each school, detailing popular courses, admission services and financial aid information for prospective students and their parents. In addition to Maclean's' exclusive university rankings, there is valuable advice for international students and a complete directory to Canadian community colleges. For those considering a legal career, a 23-page survey of the country's law schools is included. This year, to recognize all of the outstanding institutions, Maclean's editorial team presents a new 48-page page report on university scholarships, as well as savings and loan programs for students.

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Backstage



Anthony Wilson-Smith

The man who loves to write

Robert MacNeil gives the art of deception a good name. In 1965, the Montreal-born, 67-year-old MacNeil fits the stereotypical vision some upper-class Americans possibly about Canadians: he speaks in perfectly formed paragraphs that sound faintly British, his style of dress is tweedily elegant, and he is an attentive host of impeccable manners. The tiny apartment that serves as an office in New York City, adjacent to Central Park, once belonged to science fiction writer Isaac Asimov. Several walls are filled with books, and MacNeil, known as "Bubba" to friends, seems to have read most of them. Other walls display a few of the trophies MacNeil has accumulated during more than 40 years as an acclaimed journalist, mostly at American television. One is a poster for his 1988 television series *The Story of English*, made for the Public Broadcasting System—which MacNeil calls "one of the things I am most proud of."

Canada that sponsored manner looks a bit more subtle and sophisticated. Especially in recent years, MacNeil has made a habit of doing the unexpected. That includes turning down a lucrative offer in the early 1980s to co-host the ABC evening news, because, MacNeil says, "traditional networks needed too confining." In 1993, MacNeil walked away from anchoring the much-praised PBS *MacNeil/Lehrer Report* because he wanted to write full time and that decision "was taking precedence over any interest in news."

Unlike some people who want to call themselves writers—but dislike the art associated with it—MacNeil genuinely loves to write, for both "therapy and sheer fun." No other activity makes you be more manic-depressive," his topics have been eclectic, and his writing starting for his sometimes fiery control. His first book in 1982 was *The Right Place at the Right Time*, a 160-page memoir that chronicles his experiences in self-censoring terms, including his sole flirtation with marijuana and his escape from a radio hostess seeking to release him of his virginity when he was an overnight host on *Radio 101* in the 1950s.

Similarly, his 1990 book, *Worldwork*, is a history of his passion for the use and misuse of the English language. But MacNeil's fiction explores for different ground. *Borderline*, published in 1992, intertwines sexual rivalry and religion with the events of the 1907 Halifax explosion. His second, *The Voyage*, centers on a married Canadian diplomat who embarks on a sleazy affair with a model from Guyana—and faces scandal after she disappears while on a yacht. Intertwined with fiction are MacNeil's views, through the eyes of his protagonists, of Brian Mulroney and Pierre Trudeau.

MacNeil's new novel, *Breeding Neim*, to be released in October, carries his own real-life experiences with the (imaginary)—and

seems certain to arouse the most speculation of anything he has written so far. It is, says *Bookaday* Canada editor-in-chief John Pearson, "the book Robin was born to write." Written largely in the first person, it centers around television anchor Grant Munson on the cusp of his 60s at a major television network. After years of dominance, his engage and future are challenged by falling ratings, new, lowered standards of taste in reporting and selection of newswires, and pressure from a younger, less experienced but extremely prettier male anchor who is clearly being groomed to replace him.

MacNeil's first description could be applied to authors at all three major American networks—but the most obvious comparison will be drawn with the situation of Don Feder at CBS. Although every-

one close to the situation firmly denies it, there is a widespread belief that the network is grooming O'Connor and Feder for TV and MacNeil's personality John Roberts to succeed him. MacNeil, who knows the authors at all networks well, says only that the books "based on my experiences and those of colleagues I have known." The book reflects his disenchantment with television news. "These great traditional evening news programs are being sucked down the drain for commercial reasons, despite the noble efforts of many of their people to save them."

Now MacNeil charts that decline from the sidelines, with the detachment that he says is one of the traits that make Canadians different from Americans. Like ABC's Peter Jennings, who also left Canada in his early 30s, living away from home has made MacNeil more reflective on the topic—and, if anything, more patriotic. He envisions what he calls the "borderline" flag waving and victory hymns

among Americans, and contrasts for long periods every summer, as he has again this year, with his wife, Donna, at a cottage he owns on Nova Scotia's shore Shelburne.

In some ways, the two countries now tug at him more intensely than ever. About a year ago, MacNeil took out American citizenship—a gesture, he says, "of both respect and practicality. I spent most of my time in New York, and it gets harder to cross the border without a U.S. passport." He will, as American, as one of his four children. But he insists that the perspective he brings to his writing is "entirely Canadian in tone," and calls the Order of Canada he received earlier this year "one of the great honors of my life." In New York, MacNeil—who says he lives a generally "tweedy" life, buys *The Globe and Mail* every day, and swaps stories with his pal and fellow Canadian Morley Safer of 60 Minutes fame. "Robin is my hero," says Safer, only half-joking. "He left TV when everyone still wanted him, and he is doing what he wants while he still has the energy." MacNeil may not always choose to meet everyone else's expectations—but in the end, he has had cause to regret that.

Opening NOTES

Edited by TANYA DARGES

Virtually married

Summer is the season of wedding fever. And while most couples still opt for a traditional religious service and sit down dinner, often go for more sophisticated rituals in looking for air weddings or "wedding jumping." For Alan Kitch and Gigi BegDoss have got them best. The Toronto couple, both 36, have organized the world's first wedding using sparkling video and virtual-reality technology—the vows and the nuptials will be real, but everything else will be faked. "Ever since I started working with virtual reality, The virtual wedding," says BegDoss, who does virtual relations at Vind Group, a company that produces virtual reality products, and whose real nuptials (which is on the wedding invitation along with Gigi BegDoss) as Carrie Silverman. "Also some of the enthusiasm—she was worried that her parents would think."

The Aug. 13 Toronto wedding will take place in front of a camera that will capture the couple's live image and place them in 10 computer-generated virtual worlds—four for each season—all adapted from Group of Seven paintings. "We wanted Canadian artists who painted nature scenes," explains BegDoss "and they have the most comprehensive collection of all seasons." Invited guests will watch the computer-enhanced event on a video screen, while virtual guests can view a live broadcast over the Internet (www.boundless.com).

Defusing history

The Canadian War Memorial Park at Vimy Ridge, France, is a potential power plant. The site housing one of Canada's greatest military achievements will be explored by a team of British explosives experts this week following the discovery and detonation of an active Second World War mine with the destructive force of the

bomb that destroyed Oldham's Alfred P. Marshall Industrial building in 1986. More than 18,000 Canadian soldiers were killed or injured during the 1917 battle of Vimy Ridge. The battlefield is now a 100-hectare memorial park granted to Canada by the French government in 1922. About 500,000 tourists and Canadian veterans visit annually, oblivious to what could, literally, be a minefield.

Discovered in February, the British mine was hoped upon a series of tunnels that re-

main open to the public. "With the exception of the detonating detonator, the mine was in good shape," says area member Lt. Col. Mike Walker. While the experts continue their search, the commonsense nerve donors of Veterans Affairs Canada will keep the park open, but will caution of dangerous areas. "We weren't aware that these mines were there," says Charlottetown-based coordinator David Farnham. "Now that we know, we will investigate the area for others."



Kitch (left), BegDoss: an event that will use technology and tradition

day. Planning an event that couldn't take place in reality—the couple will appear as avatars and voice scenes, flowers will bloom with the bride in spring, and the groom will break a virtual glass in the summer—took four months to orchestrate. However, since Kitch, an Internet consultant, has learned his lesson, the blessed event will have more traditional, with only real guests invited to the rest of the evening. "This I'll be thankful," says BegDoss, "that the rest of the night will be pretty conservative."

EMPORIUM

Percentage of 1990 regular Post-bank users in Montreal, surveyed by a McGill University lecturer, who have a postsecondary school education: 41

Percentage of women responding to a recent *Flare* magazine survey who said they would consider having plastic surgery as they aged: 50

According to the *Daily Mirror*, the Queen Mum is the oldest British monarch since 1702.

Queen Mum, 98,
Queen Mary (1867-1953)
85, Queen Victoria (1819-
1901) 81, George III (1738-
1820) 61

The first black man to win a Victoria Cross, awarded to soldiers for gallant service: William Hall, of Horton Barr, N.S. While serving in the 15th African Bn, he helped put down the Indian Mutiny of 1857 in Lucknow, India

Source: The Great Canadian Year Book 2

GOLDFARB POLL

With its warm weather and long economic, seafarer is the service for do-anything projects that is the more complex and labor-intensive task, the less likely Canadians are to undertake a job themselves. By percentage of adults:

Chore	Do it yourself	Pay someone else	No answer
Gardening/lawn maintenance	76	6	18
General household repairs	70	14	16
Painting the house	68	15	17
Build a patio/deck	43	24	36

Source: Goldfarb Media Inc.

Goldfarb Media Inc. Source: Goldfarb Media Inc.

DOUBLE TAKE

Sam Etcheverry



He had a cancer's eye and a nose like a cannon, and he helped make the 1980s the Golden Age of Canadian football. A 25-year-old from the University of Toronto, Sam Etcheverry arrived in Montreal in 1982 to quarterback the Alouettes. For nine seasons, he and receiver Harold (Prince Hal) Patterson trekked records and intimidated opponents, taking the Alouettes to the Grey Cup three times (although they never won it). In 1990, Etcheverry, by then known as the Rifle, set a franchise passing record of 4,725 yards, completed 276 of 446 attempts. That same year, he also set a record for yards in the CFL for the longest completed game—608 yards. Today, at 35, Etcheverry is still active in the investment business in Montreal, where he has lived for most of his adult life. "Everybody's always asking, 'When are you going to retire?' but I would have a difficult time doing that," he says in the southwestern drawl of his native New Mexico. "I'm a hypochondriac guy."

There is evidence of that in his career. Between 1981 and 1983, he played briefly as the NFL with St. Louis and San Francisco. "But my attitude was, 'I'll be back in my last year in Montreal and I should have had it spread out, but I didn't.'"

In 1980, Etcheverry got a lawyer's licence and worked in St. Louis. By 1983, he was back in Montreal working for a U.S.-based investment firm. A father of four, Etcheverry loves his job and rubs a superstar's memories.

"That 109 yards," says an interviewer. "That was a hell of a pass."
"No," says the Rifle. "That was a hell of a catch."

RAE CORRELL



refuge of defence. When they ended a boxing match and the security is associated during the first round, the two pairs for a catch the murders

- Top movies in Canada according to box office receipts during the seven-day box office week of Aug. 10 (in thousands, unless otherwise noted):
1. *Top Gun* (1995) \$1,412,340
 2. *The Untouchables* (1995) \$1,387,800
 3. *The Negotiator* (1995) \$1,057,400
 4. *Emancipation* (1995) \$1,050,500
 5. *The Black of the Sun* (1995) \$1,247,700
 6. *The Untouchables* (1995) \$1,207,400
 7. *The Power of One* (1995) \$1,042,200
 8. *John Wayne* (1995) \$957,700
 9. *Boyz n the City* (1995) \$947,300
 10. *Rolling Thunder* (1995) \$438,500

BEST-SELLERS

FICTION

1. *A Woman in Red* (1995) \$1,412,340
2. *My Sister Sam* (1995) \$1,387,800
3. *The Untouchables* (1995) \$1,057,400
4. *Emancipation* (1995) \$1,050,500
5. *The Black of the Sun* (1995) \$1,247,700
6. *The Untouchables* (1995) \$1,207,400
7. *The Power of One* (1995) \$1,042,200
8. *John Wayne* (1995) \$957,700
9. *Boyz n the City* (1995) \$947,300
10. *Rolling Thunder* (1995) \$438,500

NONFICTION

1. *My Sister Sam* (1995) \$1,412,340
2. *The Untouchables* (1995) \$1,387,800
3. *Emancipation* (1995) \$1,057,400
4. *The Black of the Sun* (1995) \$1,247,700
5. *The Untouchables* (1995) \$1,207,400
6. *The Power of One* (1995) \$1,042,200
7. *John Wayne* (1995) \$957,700
8. *Boyz n the City* (1995) \$947,300
9. *Rolling Thunder* (1995) \$438,500
10. *The Black of the Sun* (1995) \$1,247,700

Spinning stories of top pop hits

In *Who Wrote the Book of Love?* The *Shirley* Behind the Hits (Columbia Records), Toronto writer Richard Dwyer has collected behind-the-scenes tales about the biggest pop hits since the 1950s. One gem Phil Spector's 1972 hit *Mother and Child Reunion* was named after a chicken and egg dish at a Chinese restaurant in Manhattan.



Passages

DIED: Children's entertainer and the master of Lamb Chop, the sack puppet, Stan Lewis, 65, of Atlantic City, in Los Angeles. Growing up in New York City, Lewis was taught magic and ventriloquism by his father. His appearance on *The Captain Kangaroo Show* in 1957, where he introduced Lamb Chop, secured her own starring television program, *The Stan Lewis Show*, which ran from 1962 to 1963. Lewis also wrote more than 60 children's books.

DIED: Russian composer Alfred Schnittke, 63, of a stroke, in Hamburg. Schnittke has a long list of compositions including five symphonies and 60 film scores.

DIED: Windsor Star sports columnist Jack O'Driscoll, 79, of multiple sclerosis, in Windsor, Ont. In 1984, O'Driscoll was among the first journalists to be reduced into the Hockey Hall of Fame.

RETIRED: Olympic speed skater Susan Scott, 32, and Neal Marshall, 29, in Calgary. Each has been a member of the national team for 12 years and has two silver Olympic medals and three first-place World Cup medals in the 500 m. Marshall, her boyfriend, broke the world record in the 1,500 m in 1997.

NAMED: Victoria World of Toronto, as the NCAA female tennis player of the year, in Montreal. P.J. Webb, the granddaughter of former Liberal cabinet minister Alexander Kilgus, is the first non-American to win the award.

AWARDED: A human rights prize, to Margaret Spector, 56, a professor of medical ethics at McGill University in Montreal, at the 19th International Symposium on Sexual Harassment at Oxford University in England. The award recognizes her assertion that male circumcision is criminal assault.

BANNED: Irish swimmer and triple gold medal winner at the 1996 Atlanta Olympic Games, Maureen Brunt, 26, from competition for four years, for doping her urine with whiskey to mask the use of illegal drugs, by the international swimming federation in Lausanne, Switzerland.

BY KIMBERLEY NOBLE

In John Grisham's novel *The Prisoner*, a beautiful law student is running for her life because she knows too much about a political conspiracy. Played by Julia Roberts in the movie of the same name, she outwits the Mississippi cops with a gang of misfits and the FBI at her heels. But she has trouble shaking them all: the bad guys can follow her wherever she goes, as long as she keeps using her credit cards. To cover her tracks, she has to get away the plastic and sticks to cash. Sound ludicrous? Except for the province of spiced nobles, it isn't. In reality, the people chasing Grisham's heroine would be sophisticated marketing wizards, armed with the best computer technology money can buy, intent on gathering every tab of information she as adventurously scurries along the electronic trail.

They just would be to find out what she does all day—when she gets up, whether she turns on the television or radio, which channels she flips through, what she eats for breakfast, does she shower or bathe? Use deodorant or antiperspirant? Roll-on or spray? Does she linger in front of the mirror or dash out the door? What route does she take to school or to work? If she picks up a soft drink on the way where does she buy it, and does she purchase anything else in the store then? Heaven forbid that she should have an extramarital affair or order rice underwear via the Internet, because if she does, it's a sale, but the marketing team will soon know that, too.

Big Brother really is watching—only he isn't the army of all-seeing eyes portrayed in George Orwell's chilling political fantasy *1984*. Instead, he has strolled right up the front walk in the guise of friendly corporations offering a plethora of new products and services that extremely make life easier or cheaper for consumers. Credit and debit cards, loyalty programs and the Internet—all such perks and conveniences now allow companies to keep tabs on just about everything customers do. It is not espionage or voyeurism, it's commerce. Meanwhile, governments are grappling with the question of what, if anything, should be done to regulate this private-sector eavesdropping. This fall, for instance, Ottawa plans to introduce legislation that would extend its current privacy legislation, but it is not clear yet how far it will go. In the United States, Vice-President Al Gore is proposing an electronic bill of rights that would not only limit how much information is being collected on an individual, but would force companies to reveal how it is being used.

The means of daily life—what people eat, wear, watch, ride in, play with and freshen up—is quickly becoming one of the most sought-after commodities in the industrialized world. It is no coincidence that the computer experts who are making possible have dubbed this business "data-mining." For the corporations that collect, store and analyze it, the information represents a rich vein of ore material that, properly managed, has the potential to make some of the world's wealthiest organizations a great deal wealthier.

The companies that are leading the way in data-mining

The Data Game

hope to accomplish this in two ways. The first is to mine increasingly smarter software programs that can sift through huge amounts of information and discover patterns of consumer behavior that most marketing professionals would never even think to ask about. The best known example is the so-called beer and diapers correlation, which came to light after a random bit of data-mining by an executive at NCR Corp. revealed that men who pay out to buy diapers in the evening are disproportionately likely to pick up beer on the way home. Across North America, major retailers now dream of discovering their own unique correlations, such as sausage and beer, to stand out across an uncharted corner. In this case, the result is not a contribution to the store of human knowledge, but a rearrangement of store shelves, with a consequent contribution to the bottom line.

The second, and more controversial, goal of data-mining is what IBM executives call "mass customization." Translated into everyday language, it means using a variety of sources of information to create dossiers on individuals that will enable IBM's corporate customers, and a growing number of other companies, to determine whether a particular person is a likely customer and what, exactly, needs to be done to encourage that person to purchase. In the words of Norbert Dowling, IBM North America's vice-president of net-

working sales: "The target market is each individual."

Naturally, all of this clever marketing requires a great deal of sophisticated technology, which is where IBM, NCR and a host of other computer companies came in. After several slow starts comparable to the setbacks experienced by personal computer manufacturers in the late 1970s, the market for data-mining software is exploding. According to International Data Corp., a market research firm based in Framingham, Mass., companies worldwide spent \$16 billion on data-mining technology and expertise in 1997. The figure is expected to reach \$21 billion this year and as much as \$26 billion in 1999. Experts say the quantity of data contained in corporate record warehouses is doubling every 18 months. This week, IBM will announce that it is setting up a separate company to develop and market products that will help clients manage their customer relationships—another euphemism for electronic snooping. IBM expects the entire "business intelligence" market to keep increasing at a rate of 35 per cent a year.

The extent to which big retailers and manufacturers are capable of monitoring their customers' behavior would probably surprise most consumers. Take Wal-Mart. Don't be fooled by the jolly greeters, the Bentonville, Ark.-based discount chain actually controls one of the largest data-collection systems anywhere in the world. Tim Winton, managing editor of *Computing Canada*, a weekly newspaper, calls the company "the poster child of the data-mining industry." Aside from low-



Major corporations see themselves as having absolutely no choice but to get into data-mining

prices, the retailer prides itself on its ability to reconstruct customer behavior from only register tapes. It claims to be able to trace the exact route each customer has taken through each store, based on what he or she has purchased.

The trend goes beyond the major retail outlets. At the Toronto-based Speedy Muller King chain of auto repair shops, the goal is to increase revenue by digitally searching the company's own data and vehicle ownership records. They then contact people whose cars might be due for a new muffler, a set of shocks or a brake job.

The good news for people who value their privacy is that crucially all this data is for a simple task. But every company is susceptible. The T Eaton Co., for example, passed up a \$2 million idea to data mine earlier this decade, only to have the project fall apart during the retailer's 1997 brush with bankruptcy.

The bad news? Eaton's is looking for a way to get back in the game, because it, like every other major corporation, is viewed as having absolutely no choice. "Lots of energy is going into trying to figure out how to do this, because company leaders... Even Wal-Mart is still working on it. When a somebody figures it out—boy oh boy, it will be power beyond belief."

Even some people who make their living in the data-mining business worry the potential to pry into people's lives is frightening. "It gives a little bit of Brotherly Love," says John Shoemith, research manager at International Data Corp. (Canada) Ltd. Other executives say they refuse to respond to requests for personal information because they know how the business operates. They worry that every detail they cough up will find its way into some personal dossier. Jonathan Tice, marketing director for Seaboard Canada, for example, will not subscribe to magazines that sell their mailing lists. A lawyer at one of Canada's largest retail chains insists that his own firm would never misuse the information it collects, but he worries about how some other companies might mislead. "They can sell this information to whomever they like, and without my consent," Tim Fryer, an NCR marketing specialist in Denver, notes while he laments the lack of personal information, and plans ahead how he gets retailers uncomfortable details to news up their databases.

Interestingly, the most frequent objection made by people employed in this business is that they would never sign up for an Air Miles card. Says Shoemith: "Do people even wonder why they have these cards? Do they actually think it's all about getting away from place traps?"

Ran by a Toronto-based company called Loyalty Management Group Canada Inc., the Air Miles program is the brainchild of president and CEO Craig Underwood, a 41-year-old West Virginia native, and two partners. In 1991, while working as management consultants for Ben & Co. in Boston, they became intrigued by a British consumer loyalty program that used coupons to reward people for shopping at participating retailers; consumers who collected enough coupons could trade them in for free flights. "In a way, the coupons were just like Green Stamps," Underwood said. He liked the idea, but decided it would be far more effective if there was a way of keeping an electronic record of every purchase. He and his friends promptly acquired the Canadian rights to the British program and launched Air Miles in Canada in 1992, handing out plastic cards to every member and installing digital scanners beside the cash registers of participating retailers.

Today more than 7.2 million house holds belong to the Air Miles program, accounting for 66 per cent of all households. The 134 corporate sponsors include the Bank of Montreal, Shell Canada, the Bay Bookbuster Video, several food chains including Dominion, A&P and Sobeys, and, in Ontario, the provincial liquor control board's retail outlets. (They also include *Maclean's* Hunter, publisher of this magazine.)

On one level, Air Miles is a conventional rewards program that allows people to "earn" free air travel and other services while shopping for gas, groceries and other items. Corporate sponsors get a lift as well as a trust for a designated number of air miles; the Loyalty Group then buys plane tickets at bulk from the airlines, and earns a markup on the travel revenue.

The key to the program, however, is the use of the Air Miles card to research consumer preferences and spending habits. One source of data is the stamp form for new members, which, in addition to requesting personal details and address, asks for details about age, family size and total household income. According to a case study of the program by a postgraduate student at the Harvard Business School, this information has proved to be a treasure trove for Air Miles' own sales, most of whom had never had access to such personal data.

On top of that, the Loyalty Group collects more information every time a consumer makes a purchase. Through its consulting arm, the



Underwood: a way of keeping an electronic record of every purchase made

derwood's company sorts and packages the data on behalf of its corporate sponsors—helping them decide, for example, where to locate new stores and how to maximize sales to each customer. It also enlists members to test up so-called cross-promotions as a means of collecting and sharing information with other members. Sponsors can pay extra for a separate peek at one another's data. With Bankers, for example, might want the names of Bank of Montreal Gold MasterCard holders for a special promotion. Although the Loyalty Group guards information like an old-fashioned prospector sitting in top of a gold field, it does not take a great leap of imagination to conclude that if Hugh Hefner and the Bank of Montreal are sharing personal consumer data, then so are other Air Miles members. Anybody Blackboard Video knows about an individual's viewing preferences; the local liquor outlet can know, too—and vice versa. The possibilities are endless. "The whole company is really a data mine; a marketing resource," says Shoemith. "That's what they do." Adds Underwood: "We operate on the principle that the more you know about a customer, the better you can service that customer."

Not even the amount of information flowing into the Air Miles database pales by comparison with what is being gathered by the Internet, a co-operative owned by financial institutions that processes electronic banking transactions and purchases made with debit cards. Airline companies to handle nearly 1.5 billion transactions this year; at a rate of 42 a second. For 1997, it knows the number of cards at which bank cards were used, \$30,000, and it knows the percentage of transactions that involved debit cards (22 per cent) compared with credit cards (17 per cent) and cash (56 per cent).

In other words, nearly 40 per cent of the consumer transactions in Canada last year left an electronic trail. Airline purchases alone accounted for \$1.1 billion worth of beer, wine and liquor; \$2 billion worth

of prescription drugs and sundries; and \$3.8 billion in spending at gas stations. The most recent breakdown of Internet purchases does not specify how many couples used debit cards to buy their marriage license at City Hall, but according to the co-operative, a growing number of Canadians are doing that, too.

So far, most of the information gathered by Air Miles goes to waste, from a marketing perspective. The fact remains, however, that Canadian banks are setting on a method of searchable data that were shopping, at what time of day, where and how often, in one quarter of the retail transactions in Canada last year.

Anyone who wonders whether this information will eventually be put to use need only glance across the border to the United States where several powerful financial institutions are at the forefront of the data-mining revolution. San Francisco-based Wells Fargo & Co. and MIRA Corp. of Wilmington, Del., one of the world's largest issuers of credit cards, have developed software programs that electronically scan the financial profiles of hundreds of thousands of individuals and small businesses in order to pinpoint potential customers. When Canadian bankers talk about the need for huge investments in new technology, those are the sorts of services they are talking about. Indeed, the electronic revolution is one of the driving forces behind the recent wave of megabank mergers in Canada and the United States. As big as they are, Canadian banks say they are going to have to pool their resources to afford the electronic customer system required to identify and woo key customers.

For some banking customers, the trend could herald a significant improvement in service. Several large American financial institutions, for example, are already using computer software to select a mailing list you one-to-one, say-to each of their trillion-dollar customers, based on the potential value of that person to the bank. The rating,

MINING MONEY FOR POLITICIANS

database marketing can be used to promote legislative and cause, why not use it to sell politicians? In fact, it is already happening. Back in the 1970s, U.S. political consultants pioneered the art of using direct mail to influence voters in federal and state-level elections. Today, many of those same experts are using powerful computers and fancy software to identify potential supporters and increase a candidate's chances of winning in a tight race. Veteran U.S. political consultant Edward Greenleaves' advice words about the importance of information technology to

political campaigns: "The right data means value. The right data means money." He recently led readers of *Campaigns & Elections*, a Washington-based monthly magazine, by analyzing a wide range of demographic and lifestyle information on voters in a particular district. He said, a campaign "can completely tailor its message to certain constituencies with multiple variables." These variables include race, gender, income, education, buying habits and dozens of other characteristics, any

one of which might provide a clue as to how an individual is likely to vote. In addition to helping campaign staff target specific kinds of voters, computers are being used to identify potential donors. At least 20 U.S. consulting companies now offer database management services for political campaigns; of those, 15 also offer assistance with fund-raising. One such firm, Andrite Publishing, boasts that its fund-raising software not only helps to identify potential new supporters in designated tax brackets, but even helps to track down potential big-spending contributors. The product's name: Fat Cats.

K.R.

An 'electronic bill of rights' could curb privacy invasion

which pops up on a computer screen whenever a teller or other bank employee says to that customer's name or account number, helps to determine the level of service that individual receives. Tagged customers, those with liquid assets and healthy personal cash flow, would merit first-class treatment, which might include overlooking the odd bounced cheque. Customers relegated to the bottom of the heap, on the other hand, would receive a more perfunctory level of service. The rationale is that banks actually lose money providing services to some of their less prosperous clients, hence, it would be better for the bottom line if those people took their business elsewhere.

Similar technology is finding its way into bank branches around the world. This summer, NCR and Union Bank of Norway unveiled a project to convert 250 U.S.N. locations in that country to more sophisticated electronic operations. Customers swipe their bank cards the moment they walk through the door, causing the bank's computer to spit out a numbered ticket and inform tellers who is waiting. Simultaneously, a complete financial profile of that person appears on the teller's computer screen. While the customer is waiting for service, advertisements geared to his or her assets, abilities and financial requirements appear on video monitors strategically positioned throughout the branch. In this dawn age of mass customization, no cell is more malleable than the Internet. Almost every major retailer in North America is now using, or attempting to use, the Net to generate new business and, in the process, acquire more knowledge about its customers. Every time someone orders a book from the Seattle-based online bookseller Amazon.com, that information goes into the customer's personal file, adding to the store of data about that person's reading preferences and interests. Increasingly, Web site



Shopping at Wal-Mart in Mississauga, Ont., tracing each and every purchase

operators are using such information to direct specific kinds of ad targeting at people who seem most likely to be receptive to those messages. Anyone who used the Internet search engine AltaVista last week and typed in the word "toys" would have immediately seen an automated ad for Toys "R Us, the word "actionbikes" accompanied up an ad for one of several car models.

In the computer business, those are what are known as "real-time" messages—ads that respond on the fly to whatever information is available about the user's preferences. "They don't just wait to know what I've bought," says Netscape's Tice, one of many companies that

THE NEW FRAUD: DUMPSTER DIVING

Corporations and marketers may be clamoring to understand and exploit a consumer's personality and habits, but some thieves want the data for much more—the person's whole identity. So-called identity theft is one of the leading forms of consumer fraud in the United States, and is a growing concern in Canada. It starts when the thieves go "dumpster diving," or rummaging through the trash at a person's bank, workplace or home. With the bits of information they gather, they can piece together enough of a false profile to apply for loans, credit cards and even rent apartments.

For the victim, the results can become a business nightmare. "In this day and age of data linkages and everything being retained in computer files," says Ontario Information and Privacy Commissioner Ann Cavoukian, "it's very



Identity-theft victim Sandra Bullock in the 1995 film *The Net* looking at a profile

difficult to eradicate any reference to this association to you and make sure you've covered all the possible places in which this type of information might be stored." According to Cavoukian, it can cost an injured party as much as \$36,000 in lost wages, telephone calls, and other expenses to rectify the wrong. In 1992, a 22-year-old Toronto secretary won a seven-year battle to clear her name. At one point, Revenue Canada

withdrew \$1,300 from her bank account towards nearly \$5,000 in taxes racked up by the imposter. Her stolen identity was traced back to a social insurance card she had applied for but never received when she was 15.

In one notorious U.S. case, a husband and wife team were apprehended in early 1997 after a seven-state spree of stealing identities. Using *Who's Who in America*, a directory of prominent individuals, they applied for and received credit cards under at least 19 aliases over a six-year period. Identity theft, in fact, has become such a problem that a California-based victims organization for such crimes reported eight to ten thousand calls in its first six months of operation. Cavoukian says everyone is at risk. "We're living in a society now that relies more and more, both governments and businesses, on numbers to identify citizens and consumers," she says. "If these identifying numbers also allow fraud artists to impersonate our identity very easily."

DEREK CHEZZI

Is it a home phone or is it a wireless phone? Well, yes.

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St. Christopher Wren in St.



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not in the said interest above mentioned

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is striving to become an expert in that emerging business. "They want to catch me before I get outwitted. As a consumer, I may agree that. And then again, as a consumer, I may not." Newspaper's own In Box Direct service, for example, allows Web users to subscribe to any of 140 free online magazines. Each time one is selected, the company collects more information about that person, data that can be used to customize the online advertising he or she sees.

In the advertising industry, executives now dream of applying similar technology to television. In a few years, says Peter Swain, chairman and CEO of Toronto-based Media Buying Services Ltd., it should be possible for cable companies to monitor exactly which programs each of their customers is watching. That information could then be correlated with household demographics—such as age and income—so that advertisers could direct specific commercials at each member of the trendy Swain, whose company is the biggest purchaser of advertising time and space in Canada, calls it "addressable advertising," and readily acknowledges that many people would consider it an invasion of privacy. In his view, however, it makes sense both for his clients and for consumers. "I personally wouldn't regard it as an invasion," Swain says, "because the alternative is that I'm seeing ads all the time that aren't of the slightest use to me. If advertisers are able to communicate with us more effectively, that to me is good news."

Swain has a point, but the real problem is that no one knows how far all this corporate snooping will go. The data-gathering and data-mining business has exploded so quickly that governments have had to be supernaturally fast to make the situation, let alone regulate it. "Data-mining represents a major challenge to privacy because the companies who practice data-mining cannot predict what uses the resulting information will have," says Ann Cavoukian, Ontario's information and privacy commissioner. In a report issued last January, Cavoukian warned that data-mining "may be the most fundamental issue that privacy advocates face in the next decade."

Despite such concerns, there are few legal restrictions on companies in Canada that collect and analyze consumer information. The federal privacy act states that information gathered by one agency should not be disclosed to other parties without the subject's consent, and should not be used in ways that are inconsistent with the purposes for which it was originally collected. But that law, which has been on the books since 1983, applies only to the federal government itself. Among the provinces, only Quebec requires the private sector to adhere to similar safeguarding a citizen's right to privacy. Meanwhile, the Canadian Direct Marketing Association has developed a set of guidelines in the hope that it can persuade Ottawa to slow it to become a self-regulating trade along the lines of the medical or legal professions.

The association's efforts may fail, however. This fall, the federal Liberals plan to introduce a bill that would broaden the privacy act to include federally regulated industries, including banking, telecommunications and transportation. Federal privacy commissioner Bruce Phillips, a former television journalist and press aide to prime minister Brian Mulroney, says the proposed legislation represents an important step forward because those sectors "are among the most massive managers of personal information in our society." Nevertheless, Phillips wants Ottawa to go even farther, by expanding privacy law coverage to all commercial activity. "Anything that is as fundamental to decent society as people's right to personal autonomy and dignity cannot be left to the



A speedy mechanic at work: contacting customers whose cars might need repairs

whims of the marketplace," he says. "It has to be embedded in law."

The alternative, of course, is that consumers will have to learn how to look out for themselves. Providing false information about oneself is one option, another is to refuse to do business with companies unless they publicly pledge not to share customer data with other organizations. And at those tactics aren't sufficient, there is always the prospect of a technological solution. Stephen Ennass, director of NCR's Knowledge Lab thinktank in London, believes that consumers who shop online in the future will use special software programs to create "shopping identities" that serve as electronic disguises. They would then have the ability to provide their full identities to companies they're sure will share only small fragments of information with others.

Ultimately, Ennass says, the only way consumers can completely protect themselves is to recognize the value of their own information to any company with which they do business. Like merchants, they must view personal information as a commodity, and begin asking any corporation that seeks it to compensate them accordingly—be it with cash, coupons, discounted merchandise or other loyalty points. If they wait it badly enough, make 'em pay.

With ROSS LAVER, MICHAEL MULLER and JOHN SCHNEIDER on Toronto

Unsolicited and often unwanted

Kent Lee has no time for nuisances. The days a week, the owner of Stevens First Coastal in suburban Richmond, B.C., drags, sprays and stomps on pecky bugs and assort of other vermin. But there is one nuisance he is having trouble eliminating. Without warning, they come sliding through the fax machine in his home office: unsolicited ads for everything from bargain vacations to "breakthrough" weight-loss products. Lee, 32, has no idea how companies that send the so-called junk faxes find his unlisted number. They just keep coming—wasting both his fax paper and his time. "I can't recall one document that had any significance to me at all," says Lee. "It's all crap."

And there is lots of it. Millions of junk faxes inundate offices and homes across Canada every year. That booming business is in turn fueling a brisk trade in fax numbers. Marketers say the appeal is obvious: fax advertising is cheap and the response rate is good—despite the odds of annoying potential customers. Federal regulations designed to reduce the nuisance factor have helped ease the flow only slightly.

For George Theodore, flooding millions of pages of unsolicited ads, newsletters, news releases, and other messages annually is a profitable business. His Toronto-based company, InfoLink Communications Ltd., had revenues of \$20,000 in 1994, its first year of operation.

This year, he estimates his revenues at \$5 million. The company can pump out up to 40,000 pages an hour, charging advertisers up to 45 cents a page. Response rates for faxed ads, Theodore claims, range from six to 15 per cent—at least three times the frequency for traditional junk mail. And considering the numbers, there are surprisingly few complaints, he argues. Last year, he says, only 3,000 people asked to have their names removed from InfoLink's database.

Indeed, the company portrays itself as a pioneer in protecting privacy. Theodore says he was the first to set up a consumer complaints free zone by erasing his numbers from phone lists within a week, rather than the then-typical 30 days. At the same time, he adds, InfoLink started publishing a contact address and phone number on all junk faxes, to enable offended parties to have their list numbers removed. That was before the Canadian Radio-television and Telecommunications Commission ordered all fax broadcasters to do so in 1996.

Nevertheless, tracing InfoLink's base can be a challenge. In small print on the side of one travel advertisement, the only company name listed is SCL. At the downtown Toronto address on the ad, SCL is not listed in the lobby directory. A costumed—who says he is accustomed to receiving mail for recipients—directs visitors to a fourth-floor office. It is locked. And attempts to send a fax to the number on the ad were unsuccessful, as the phone just rang incessantly. Theodore says the address is intended for mailing only, and SCL is not listed in the lobby for security reasons.

Trying to send faxes to the first place by stating all telephone lists is not really an option. "Every time you fill out an 'in' and 'out' form, you're wound up on some list," says Theodore. Many companies sell customers' numbers and addresses to "list brokers" such as Toronto-based Witte List Brokerage Ltd., one of Canada's largest. Still, perseverance can pay. John Owen, a Calgary insurance broker who comes up to a dozen junk faxes a day, says he has got all the leads of those that supplied telephone contact information. "The ones you can't do anything with come in with nothing on them," he complains. The next step is to call the company in the ad, suggests CRTC spokeswoman Lisa Plouffe. If that does not work, complain to the local phone company.

U.S. authorities are tougher on the junk-fax industry. Unsolicited ads are illegal, and companies have successfully sued fax broadcasting services. Tougher laws and public backlash have driven larger listing companies upscale, serving clients who distribute information to professional groups such as economic research firms. Canadian companies like InfoLink and Toronto-based International Trinitis Group, the country's largest fax broadcaster, now target the same market.

Exasperated victims are finding unusual ways of fighting back. Those unable to connect the junk-fax firms have been known to visit their frustration on companies featured in the ads. So far, for instance, have laid up the fax machine of Toronto-based ValueSafe Business Products by repeatedly sending the same document, says marketing manager Jay DeGeroni. Others have used up his laser by sending a subliminal fax 20 times. "You get creative like that," he laments. But so far, it's worth the aggravation. "When you get people who are upset, it's always a concern," says DeGeroni. "But we do get business from it." As long as that is the case, junk faxes are one pest consumers will probably have to learn to live with.

JOHN SCHOFIELD

FAX ATTACK

Since 1990, Ottawa has regulated the sending of junk faxes, and those who break the rules face destruction of telephone service. Accordingly, follow these:

- must provide contact information
- must transmit only from 9 a.m. to 9:30 p.m. Monday to Friday and 10 a.m. to 6 p.m. on weekends
- must remove names and numbers from faxing lists within seven days of a complaint and keep them off for three years
- must not fax emergency lines or health-care facilities



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The Eagle returns

BY JOHN NICOL and KIMBERLEY NOBLE

The road leading up Blue Mountain from Ontario's Georgian Bay was just a 40-acre farm where a developer built two small overgrown houses, wild meadows and a neglected apple orchard. The land is also home to wild turkeys and a beekeeping operation, but for most it has been the stuff of developer dreams and, over the past decade, the centre of a maelstrom of mysteries. Few people knew who owned it, and even fewer knew what happened to the almost \$2 million in mortgages on the property—or why creditors looking those mortgages valued it away this spring rather than fight a \$12,000 foreclosure.

Answers were hard to come by until the extensive presence of more than two million bees recently caught the owner's attention. Maclean's has learned that deceased hockey star Alan Eagleson, fresh from a six-month stint in jail, stepped forward in July to demand that 40 lives be evicted from the property. Graham Roberts, a bookkeeper there for 30 years, said he was so confused by the changing ownership he didn't know who was supposed to get the annual gift of honey the operation owns as rent. "Al said he owned it now," said Roberts, "and his son wanted to build a house on the clearing where the bees are."

Eagleson, on parole for his conviction on three counts of fraud, is back doing what his clients and business associates say he always did: micromanaging every aspect of his business empire, and keeping his assets hidden and mobile. His conversation with the bookkeeper, though, sheds light on a trail of convoluted business transactions that have left a tattered web of Eagleson's connections to this farm in rows a water front but busy from Georgian Bay's so-called Maclean's law. The foreclosure of this property—which Eagleson has secretly controlled for 30 years—provides another glimpse at how much the disgraced hockey chairman may be worth, and the money that keeps him a step ahead of current and potential creditors.

First in line is former hockey player Mike Gillis, who was awarded \$570,000 in damages and legal costs last year after successfully suing Eagleson over a \$63,900 insurance claim. Later this month, the Royal LePage Ltd. real estate firm will commence pretrial work in a suit against Eagleson and partners for more than \$200,000 in commissions lost from a bad deal in Collingwood, Ont. But the biggest threat to Eagleson's future, and the hockey establishment he left behind, comes from former players Dave Forbes, Rich Milcheno, Cliff Nielsen, Brad Park and Doug Smith who have launched a racketeering civil suit in Philadelphia against Eagleson, 22 National Hockey League teams, former NHL commissioner John Ziegler and Chicago Blackhawks owner that Wirtz. The plaintiffs have yet to put a dollar sum on the damages sought but informed estimates suggest it could reach \$1.5 billion.

An investigation by Maclean's last January found that Eagleson had hoarded or hidden more than \$8 million in assets since the FBI announced its investigation of him in December, 1991. Although creditors are convinced that Eagleson has millions stashed away, he told a court in late 1995 that he was worth less than \$1 million. That contradicts claims by Russ Conway, Bowdoin's sports editor and author of the Eagleson exposé book *Gene Maclean's*



The former hockey star having jail record by Conway

Conway says that in 1987 alone Eagleson shifted \$1 million to British Columbia, where he owns a flat near Buckingham Palace.

But Eagleson's admission to the bookkeeper amounted at least one step up to hide his assets in the Collingwood area, investment where his wife grew up and where he has flipped land and mortgages like an NHL seasonal manager moving players at the trading deadline. The firm with its bees and deerlet barn is now owned by Collingwood Triangle Financial Inc., a company that seized control of the land through the foreclosure, even though land registry documents suggest it had a long list of creditors owed almost \$2 million. Among them were Horizon Consolidated International Inc. of Toronto, FPL—a company linked to Eagleson by several revelations—and a co-owner that included Toronto developer Richard Kruttschnitt. Kruttschnitt told Maclean's that he was "left out" (didn't make) was still on the title when the property was foreclosed in June. "It didn't make any sense because we had sold it in 1982. I went back and looked at our documents, and we had collected our money. I called the lawyer and he gave me some flimsy excuse." All outstanding debts were secured by mortgages against the property, which was purchased in 1988 for \$600,000 with the intention of developing it into a deerlet barn.

In the fall of 1986—when Eagleson was the subject of an RCMP investigation, had charges pending in the United States and had to appear in court for the Giffin lawsuit—he purchased the original mortgage on the property. He intended at first to place it in the

wood Triangle by Eagleson and related creditors. At the time, nobody could trace Collingwood Triangle back to Eagleson.

In deals with Masters and the old firm, the wheeling and dealing is done by the creative use of mortgages. In 1992, after the FBI began investigating his actions, he got a mortgage on his Toronto house in order to get his money out in case the property is seized. His family's most recent moves, which put \$400,000 in his wife, Nancy's, hands, have a similar effect. On March 17, son Trevor and daughter-in-law Yvonne put a mortgage on their Toronto house at 3 Dorell Cres. for \$250,000. The same day, daughter Jill Anne got a mortgage for \$150,000 on her Toronto home at 55 Edlin Dr. On June 12, he gave sold the family's Collingwood farmhouse for \$400,000 to Yvonne. Eagleson's lawyers, Brian Greenblatt and Charles Wagman, already had a \$500,000 lien against the family firm, and while their client was in jail, the lawyers further secured their fees with \$500,000 lien on the two children's homes.

Meanwhile, in the huge racketeering civil suit against Eagleson and the NHL in Philadelphia, one of the players' lawyers, Martin Charney of Chicago, told Maclean's that he was asking "what they should have been paid but they had not had a union leader on the table. It's based on what Eagleson was indicated for and paid gaily to." The suit contends that NHL owners allowed Eagleson, as head of the players' association, to skim profits from international hockey "because it kept the union docile."

Alan Eagleson keeps his assets hidden



Family house on Eglar Drive North, and Dorell Crescent



Wheeling and dealing through mortgages

name of his real estate law, Clarice Fidd, but when she died last October, Eagleson insisted upon the valuable first mortgage to Collingwood Triangle. The only name listed on Collingwood Triangle Financial papers is James H. Inoué, a lawyer in Lunenburg, N.S., who refuses to divulge whom he represents. But the paper trail points to Eagleson, who instructed the lawyers who handled the transfer to send any bills directly to him at 37 Midland St. in Toronto, the business address of his sportsman's club nearly a decade ago.

In many ways the devilish firm did mirror what Eagleson and his Collingwood-area business associates did last fall when they sold a big block of undeveloped condominium lots adjacent to the Montreal club owner at the Collingwood area. Masters' attorneys, including Eagleson, who owns 25 percent, sold the lots to Westbrook Development Corp., a local company, for \$3.6 million, with the purchase financed by \$1.5 million in cash and a \$2.1-million vehicle back mortgage. (This is the deal that led to the Boyd's LePage lawsuit. Its agents claim the Masters group sold their idea and chiseled their own of \$300,000 in commissions.) Since then, all rights to the \$2.1 million mortgage were reportedly transferred by Masters to Collingwood Triangle, as security for a \$218,000 loan that had been assigned to Colling-

The owners, meanwhile, contend that the players have passed the four-year statute of limitations for suits under the Racketeer Influenced and Corrupt Organizations (RICO) Act.

If the case is allowed to proceed—the NHL submitted its final brief two weeks ago—the players will argue that a union leader dedicated to their interests would have secured richer concessions for them at the time of the 1970 merger between the NHL and the World Hockey Association and would have established free agency and salary disclosure earlier—which would have increased the players' market value. The players will attempt to show how high salaries would have risen if Eagleson had not helped the owners to keep them down. One American legal expert estimates that the shortfall in player revenues could add up to \$200 million, raising the trouble damages allowed in civil RICO suits could lead to a fine of as much as \$1.5 billion.

The players had no idea what their union chief was up to in the 1970s and 1980s, says Charney, and were convinced he was doing his best for them. "They all believed in Alan Eagleson," but that trust was shattered in January, when a *Washington Daily* admitted that he had talked them through lost his career, and his recent financial misadventures are unlikely to inspire new trust. ☐



Marching to one drummer

The atmosphere was at once optimistic and wary. As they arrived in Saskatoon for last week's governors' conference, provincial officials thought the start went better than anticipated. On a scaled-down tour to carry them into negotiations with Ottawa on social programs. But what to make of Quebec Premier Lucien Bouchard's unexpected decision to attend? Bouchard was ending Quebec's year-long boycott of the talks on reforming the so-called social union. What was he up to? Surely the anti-separatist was not really buying into a process of smoothing relations between the two levels of government. By the lunch break on Thursday, the first full day of talks, last premier Roy Romanow was asking about just that—the prospect of Quebec joining a 10-province consensus. When the premiers emerged a few hours later to announce a unanimous new position, early suspicions about Bouchard's sincerity had evaporated in the dry Prairie heat. Or was another kind of warmth at work? “You could feel some emotion in the conference room,” Ontario Interprovincial Affairs Minister Diane Cunningham told Marleau, adding that her boss, Premier Mike Harris, “was quite moved.”

Many feelings about Bouchard's return to the province's club were not shared in Ottawa, still, the federal government took pains to register the contradictory issue that was prevailing on the banks of the South Saskatchewan River: “We will work with the provinces to find a solution that will satisfy their concerns and our concerns,” said Stéphane Dion, the federal intergovernmental affairs minister. A

The provinces unite on social programs

ON ASSIGNMENT
JOHN GEDDES
IN SASKATOON

Alberta's Ralph Klein (left), Bouchard, & C. & Glen Clark, Romanow, M.A. & Claude Harvey, Yukon's Peter McNamara, Manitoba's Gary Filmon, appearing off against Ottawa

blatant reaction—considering that the position the premiers adopted, and that was Bouchard's last, seeks to severely restrict the federal power to spend on new social programs. Independent observers responded more bluntly. “This would be a radical transformation of the way the federation functions,” said Harvey Lazar, director of the Institute of Intergovernmental Relations at Queens University in Kingston, Ont. “My guess is the federal government will never agree with something like this that prevents it from interacting with Canadians.”

At stake is how new social programs are designed and delivered. Even though the Constitution hands the provinces jurisdiction in areas like health and education, Ottawa has long used its spending power to buy health insurance plans in those fields. In the so-called social union talks that began last January, the provinces are trying to get Ottawa to agree to a new set of rules. The bargaining positions adopted unanimously by the provinces in Saskatoon proposes that the federal government compromise any province that opts out of a new social program, even if the program is funded entirely by Ottawa. To qualify for compensation, the province would have to spend the money at the same general rates—but not necessarily by setting up its own comparable program.

In agreeing to those terms, Bouchard made a key concession. He renounced Quebec's long-standing demand for the right to opt out with full compensation and no strings attached. And he accepted that Ottawa must have some say in social policy. “We can live with it,” he shrugged. “If there is a new program created by the federal govern-



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ment." A big step for Bouchard, perhaps, but one that still leaves him—along with the rest of the premiers—a long leap from Ottawa's current position.

Prime Minister Jean Chrétien's government accepts the notion of compensation for a province that opts out, but only from new programs that are partly financed by federal and provincial governments. So when Ottawa is going it alone in a social-spending initiative—as it is with its Millennium Scholarship Fund—an province would be able to reject the new program and get federal cash instead. The provinces contend that this means the federal government can still move unfettered into areas they regard as their own.

Chrétien also holds that compensation should be paid only if the province opting out establishes its own standards. The provinces argue that requirement leaves the system far too inflexible. One writer even provoked official anger, for example, that the federal Liberals' scheme for a new national home-care program makes sense only for provinces that have lagged behind in satisfying the demand for arboreal health services. Those provinces that have already begun investing heavily in home care, such as Manitoba, should be free to fund at least a portion of any new federal spending into other health priorities, such as hiring more rural physicians. The premiers will press Ottawa to accept a more dispute-resolution body with the power to decide what sort of program a province could offer with its compensation money.

Debate over such details now shifts from the spotlight of Saskatoon to shadowy go-and-take among ministers and their advisers. The social union talks are being conducted by federal Justice Minister Anne McLellan and Saskatchewan Inter-governmental Affairs Minister Bernard Wascana. A personal rapport between the two politicians could be a key factor in pushing the negotiations towards a conclusion by the end of the year. Wascana telephoned McLellan after Bouchard joined forces with the rest of the premiers to insist her on the dramatic development. One important personal link, Wascana departs minister, constitutional lawyer Bruce Carter—widely regarded as one of the most influential behind-the-scenes players in the social union process—has been a friend of McLellan's since they were students at Dalhousie University's faculty of law in the early 1970s.

Wascana and McLellan are expected to convene a meeting of ministers to begin the haggling over the new autonomous provincial proposal late this month. McLellan is widely regarded by the provinces as an honest broker. Even senior officials for Ontario and British Columbia—two provinces whose relations with the Chrétien regime have been sorely strained—say they trust her. And she will need all the goodwill she can muster to keep the negotiations from coming to a bitter end. Bitterness flares in many provincial capitals over the area cuts in social transfers imposed by Finance Minister Paul Martin, when he was slashing spending to eliminate the deficit. That new sentiment surfaced when the Liberals pushed ahead last year with their millennium scholarships and proposed an ambitious new national home-care program. Lanza says that launching a scholarship scheme while provinces were being forced to hike out-of-pocket tuition, and suggesting a splashy home-care initiative while provinces were closing hospitals, amounted to "provocation" from Ottawa.

Rousseau with the Plains First Nations dance troupe, seeking to severely restrict federal spending power

If they were feeling provoked, the premiers were careful not to seek out sounding like they were asking for a tariff war with Ottawa. "This is not a power grab," insisted Rousseau. Still, some provincial officials admitted privately that they expect some federal politicians to interpret their pact as exactly that. A minister from a large province predicted Chrétien's pact will be split between a hardline "strong central government" camp, including Heritage Minister Sheila Copps and Trade Minister Sergio Marchi, and a group leaning towards compromise, perhaps including Quebec's Jean Duce and Human Resources Development Minister Pierre Pettigrew.

Bouchard's entry puts the federal cabinet in a tricky negotiating position. Rejecting a proposal that came from only the nine federative premiers would have carried relatively little political risk. But if Ottawa now upsets the prebendal consensus from that includes Quebec, Bouchard will use the future as a fresh fodder for his argument that federalism is too rigid to endure—even when Quebec makes common cause with every other province. Yet a deal between Ottawa and the provinces on a new social union framework might be just as politically viable for Bouchard. It would allow him to resist the clamor at his trial, Quebec Liberal Leader Jean Charest, that the separatist provocations of the Parti Québécois prevent it from defending Quebec's interests effectively within Canada. According to Lanza, if the Saskatoon deal "creates a large difficulty for Jean Charest, it is an even bigger one for Jean Charest."

Not everyone viewed the Saskatoon pact through the prism of Quebec politics. Newfoundland's Brian Tolan told Maclean's he agreed on to the agreement largely because it represented a softening of the headline positions of the big English-speaking provinces. "Two years ago, Alberta, British Columbia and Ontario were saying that Ottawa should abandon social policy to the provinces entirely," he said. "I am a little less so because we are acknowledging right up front that both levels of government have a role."

The pact played by Ottawa as social programs is about to be reworked by an injection of new cash. As Martin proposes to deliver the first federal surplus in a generation in his 1998 budget, the top federal priority is health. Allowed as transfers to the provinces is probably as the cards. But Ottawa will also want to play a direct role, likely in home care. Whether that new thrust marks three provincial resistance, or marks the start of a new era of accommodation, could be decided this fall.

By LANE FRISZKE in Ottawa

Unappreciated help

After more than two years of being stranded in Manila, former Maenik Dubai suffer Justino Bagan says the hardest part is being able to talk to his children in the Philippines. Barb Bensen, 4, and John Keaton, 6, only by long-distance telephone. "My daughter asks me, 'How come my friends have daddies and I don't?'" Bagan told Africa's last week after finishing an eight-hour shift in the laundry room of a downtown Manila hotel. "That's too hard."

Harder still for Bagan and three former associates—Ariel Bross, Radolfo Miguel and Esterilda Esteban—on explaining to their four-year-old, two-year-old and preschool Canadian sons with dramatic testimony about alleged murders on the high seas, they are still fighting for the right to stay in Canada and to have their loved ones



Bross (left), Miguel, ordered out of Canada after involving in court

join them. The RCMP officers who questioned the Filipinos after the Maenik Dubai docked in Manila in May 1995, believed the sailors' story that Taiwanese officers on the container ship forced three Ilustrado slave

away off the ship at sea. The *Nova Scotia* judge who presided at a 40-day hearing into a bid to have six Taiwanese officers extradited to Toronto on murder charges also accepted the Filipinos' story as true. As well, there is scientific evidence that the sailors' families have been the target of threats, intimidation and harassment. Still, the four Filipinos have been denied refugee status and ordered deported. On July 21, their families learned Lee Chen, made a last-ditch appeal to allow them to stay in Canada on compassionate and humanitarian grounds. Immigration officials are reviewing that application and a ruling could come as early as this week.

To many observers, the plight of the Maenik Dubai sailors is a case of justice both delayed and denied. The four men—all of whom say their lives would be in danger if they returned to the Philippines—live in cramped Manila apartments and work long hours at menial jobs, including washing dishes, cleaning shoes and handling labor crates. From that, each still manages to send hundreds of dollars a month home to support his family. It is a far cry from the



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comfortable middle-class life that began, for one, leaves in the Philippines, where he now works as a dentist and their children attend private schools.

Meanwhile, the Taiwanese officers whom they accused of murder are back in their home country, where they have not yet faced any criminal charges. They were allowed to return to Taiwan after Nova Scotia Supreme Court Justice Michael Macdonald concluded in March, 1995, that he had no jurisdiction to rule on the Romanes extradition bid. However, Macdonald also declared that, were it up to him, the officers would stand trial on charges of second-degree murder or manslaughter.

The Filipino sailors had initially refused to testify before Macdonald, citing fear for their personal safety. Fearing the prospect of being found in contempt of court, they finally relented—but only after being assured by local supporters in Halifax that a security group had been hired in the Philippines to protect their relatives. The issue of extradition also figured prominently in the release of their hostages. In late November, 1995, ruling the investigation and Release Board agreed that several reported provocations, including telephone threats, the killing of a family dog and the attempted abduction of one of the men's wives—represented clear attempts to prevent the sailors from testifying. The board said the most likely "motives of provocation" were people connected to Yung Ming-Lian, the owner of the Marnok Dubois (which has resumed sailing under a new name) and a company in which the Taiwan government is a major shareholder. But it also said the harassment did not amount to the level of persistent political persecution that would warrant granting refugee status.

Cohen's application to let the sailors stay on compassionate grounds argues for a different threshold. Among other things, officials must be convinced that "undue and/or disproportionate" hardship would result if the men are forced to return home, it says. Cohen says his clients only meet that test. But he also thinks that Canada has already helped the Romanes family. "These men did what we want people to do," he says. "They performed a basic act of decency and they are the only ones to pay for it."

If they knew that what they do now at the consequences, would the sailors still have reported what they witnessed aboard the Marnok Dubois? The men have very different responses. "It was the right thing to do," says Joseph. "No, why not say 'No'?" But Brian, who was the one who decided the original letter outlining the allegations is far less certain. "No," he declares flatly. "It's not worth the sacrifice." Given all that the sailors have endured for two years, it is an easily understood attitude.

BRIAN BENEFMAN in Halifax

Canada NOTES

FANNING THE FLAMES

Some 500 forest fires raged through south-central British Columbia, forcing more than 1,000 people from their homes. The so-called Greenstone Mountain fire near Kelowna, considered the most serious, has consumed more than 2,500 hectares. A six-year-old man in the area collapsed and died as he loaded his truck to flee. Meanwhile, winds gusting to 90 km/h hampered firefighting efforts.

SEXUAL ALLEGATIONS UP

Sex-related complaints by military personnel have increased sharply this year after a series of news stories and revealed calls by the top brass for victims to come forward. So far, 164 people have filed sexual-assault or other sex-related complaints with military police. In 1997, the military registered only 148 such complaints. Meanwhile last week, the army removed an internal unit commander in Ottawa, Gen. Lewis, for his post after an inquiry into sexual misconduct.

NISGA'A PARTY MARKED

Representatives from British Columbia and Ontario gathered in the Nisga'a village of New Aiyem to sign a landmark treaty that gives the natives almost 2,000 square kilometres of land, \$190 million and a degree of self-government. The Nisga'a must still win the deal, as must Parliament and the B.C. legislature. Celebrations after the signing were marred by a plane crash that killed five people in nearby Kitimat.

BIG BANG

The Trans-Canada Highway 99 km west of Sudbury, Ont., was closed after a truck carrying 18,000 kg of explosives crashed in a ditch, caught fire and exploded. The blast ignited a trench hole 10 m deep and 20 m long. Trucks and other vehicles were scattered for more than two kilometres, prompting police to close the region for underground explosives.

AU REVOIR

Protestant sovereigntist Louis Bouchette left his post as publisher of the influential Montreal daily Le Devoir after the Quebec government appointed him to oversee completion of its \$75-million provincial library in Montreal. Bouchette, who championed the project in several editorials, will earn \$130,000 a year for five years.



FLYING HIGH: Canadian astronauts Marc Gormeau, 48, and Julie Payette, 34, were aboard after NASA chose them to take part in space shuttle missions that will contribute to building the \$34-billion International Space Station. Payette's mission in May will be her first, while Gormeau, the first Canadian to fly in space, will go into orbit for the third time in August, 1997. Fellow Canadian Chris Hadfield, 38, had previously been named and is scheduled to fly in December, 1999. Assembly of the much-delayed station, designed for a wide variety of research, is now due to start in November and finish in 2004. "I was floored," Payette said of her selection.

To the barricades in Gaspé

A dispute over logging rights is between more natives on the Gaspé peninsula and the Quebec government threatened to escalate into violence. A group of Micmacs who have broken with the local council on the Lac Beauport reserve wants greater access to Crown forests for logging. For two weeks, as many as 40 demonstrators have disrupted traffic on the region's main highway. Their protest has paralyzed a small town, forcing it to lay off about 100 workers. Early last week, Quebec's aboriginal affairs minister, Guy Chevrette, threatened to send in police.

The Micmacs responded that next day by erecting dirt barriers on the highway. Protest leader Gary Metcalfe said that if Chevrette resorts to force, "It is going to be the most serious episode he has ever made as minister."

After the protesters ignored a deadline to clear the highway, Chevrette ordered his troops. "Today's threat to fall was a trap," he told reporters in Quebec City. Police would avoid responding to the protesters' protection, he added, while negotiations proceeded with both the local council and demonstrators.

Meanwhile, Harvey Martin, chief of the reserve's native police, refused to obey an injunction ordering the road cleared, saying it was too French and might not be understood by English-speaking Micmacs. In the continuing war of words, Metcalfe warned that the dispute could lead to a crisis like the 70-day armed standoff at Oka, Que., in 1990 between Micmacs, Quebec police and the army. "Certainly, the ingredients are there," Metcalfe said.

Death of a policeman

In an outpouring of emotion, 300 Toronto police officers joined a massive line for suspects in the stabbing death of undercover Det. Const. Bill Hancock. The murder shocked the city, in part because the popular Hancock, 38, left behind a two-year-old daughter and a wife who is eight months pregnant. On the night he died,

Hancock stopped at a mall convenience store for a pop, then parked his unmarked van in the mall's lot. What happened next is unclear, but Hancock, gravely wounded, was able to make for help. Acting on a phone tip, police charged Mary Barbara Taylor, 30, and Elaine Rose Cook, 40, with second-degree murder. Hancock was the 12th officer killed on duty since the metropolitan force was created in 1963.

Cornering Clinton

BY ROBERT SHEPPARD

Monica Beatty, as the tiny little strand of concrete juts across from Washington's E. Barrett Prentiss Court house has come to be known, was packed to overflowing in honor of its namesake. News photographers with brightly colored umbrellas, tourists, gardeners, political hangers-on—all were gathered for what was surely one of history's tidiest moments: Monica Lewinsky, the 25-year-old former White House intern, in the Marilyn Monroe, one of her glowering predecessors in the winds of presidential limo. But in her early morning pearls and dark blue wool suit, biting her lower lip in apprehension, Lewinsky exuded some of Monica's girly vulnerability as she quickly lowered due Monica Beach towel, took the private elevator up three floors to the grand jury room and, according to insider reports, testified under oath that she had a sexual relationship with President Bill Clinton at the White House between November, 1995, and May, 1997.

Across America, Lewinsky's version of the facts—never really doubted by the constantly gossiping—resembled a new wave of televised spousal coopting on the sexual and political mores of the day. Only the White House professed discontent. "Work goes on here every day, and it continues to go on, and it is unimpeded and unaffected by events outside here," said deputy White House press secretary Kerry Tate, as if the building was somehow cut off from the rest of the place. Even the arrival bondages at East Africa (page 33) offered only a brief respite from the unrelenting media focus on Lewinsky. In the midst of the frenzy, tourist Jane Harris posed with her family in front of the latest of microphones and cameras at the Washington courthouse and noted, like Dorothy in *The Wizard of Oz*, "This is a long way from Kansas." And behind the business-as-usual facade, Clinton was no doubt wishing it was all a bad dream.

After Monica took the President's political stance, Lewinsky's evidence directly contradicted Clinton's sworn deposition to Paula Jones's sexual harassment case last January when he denied having sex with Lewinsky. He had also explicitly stated on television that he never had a sexual relationship with "that woman—Ms. Lewinsky." Republican and Democratic members of Congress alike told *Money* that the damage to his character and credibility was now so deep that it was becoming increasingly difficult to imagine how the so-called Comeback Kid could do it again. "Of course, Lewinsky is on our minds, but we're trying not to talk



The political skies darken for the President as Monica Lewinsky testifies about sex in the Oval Office

about her," said Manhattan Democrat Jerry Nadler gleefully. "We're on hand, we're in a wait-and-see mode," said Ellyse Cummings, a Baltimore Democrat.

Sex—even the best-kept sort, with allegations of heavy petting and sex in the White House in exchange for gifts of Mia Farrow's poetry and presidential patronage—provided the Lewinsky investigation. But it is not the focus. If special prosecutor Kenneth Starr reports to Congress that there is enough evidence that the President committed perjury or conspired with Lewinsky to have her lie under oath in the Paula Jones case, then Clinton could face a dramatic debate in Congress over whether to charge him. Although most analysts believe he will ultimately escape impeachment, some think that the process could cripple his presidency.

On Monday, Aug. 27, Clinton gets to tell his version of events to the 23-member grand jury, just before he takes off with wife Hillary and daughter Chelsea to Martha's Vineyard for a holiday. And official Washington is abuzz with speculation about what he will say. The President has been given special dispensation to speak to the grand jury from the White House via closed-circuit television, a medium that is often linked to Clinton. Close friend Harry Thompson, a producer of his TV shows, is getting in from Hollywood to advise on the presentation.

Clinton already has a pretty good idea of what he has to respond to. Theoretically, grand jury testimony is given under strict rules of secrecy. In Lewinsky's 6½ hours on the stand, not even her own lawyers were present. But several sources involved in the proceedings reported afterward that she was highly misquoted and twisted at times. According to these sources—assumed, as always, to be various U.S. senators—she told the jury that on at least a dozen occasions, some very late at night, she was given special access to the White House and met with Clinton in a small room off the Oval Office. She was introduced with Clinton and felt that she was to live with him. But in the end, there may have been very little romance, for Lewinsky evidently said the trips were short and that most of the time Clinton was simply interested in sex. Starr's lawyers reportedly led her through her story in a recruciating and forced denail.

Lewinsky also said, according to the sources, that after she was subpoenaed to give evidence in Jones's harassment case against Clinton last November, she discussed a "cover" story with the President and agreed to deny that sex ever occurred between them. She also alleged to have suggested hypothetical ways that she might avoid co-operating with Jones's lawyers. That story, she stressed, did the President over ask her to commit perjury. Later, when Clinton's friends made great efforts to find her a high-paying job in New York City, she said there was never any indication that they were doing so in

return for keeping the explosive affair under wraps.

As part of her immunity from prosecution—an immunity that extends to her mother and father, in whom she confided and who had been threatened with further grand jury appearances after mother, Martha Lewin, broke off testimony in February, saying she was too distraught to continue—Lewinsky handed over a high-waisted blue dress from The Gap that allegedly bears traces of presidential semen. Although FBI tests on the dress were supposed to be top secret, leaks emerged at week's end indicating the laboratory was confident it could lift a DNA sample that could be compared with one from Clinton.

Thanking us for Lewinsky's testimony was, it does seem, Clinton's single most move. Her statement that he did not ask her to commit perjury gives credence to Clinton's oft-repeated line: "I have never told anyone to lie, not a single time." But his options now seem more limited than ever. He can either a full mea culpa to the American public, an admission such as former press spokesman George Stephanopoulos are urging him to do. He could settle the suit and argue that while he had a close and perhaps inappropriate relationship with Lewinsky, it did not include intercourse (however the definition of sex read to him by lawyers in his deposition included that one variety). Or he could continue to insist it just said he did not have sex with "that woman," that her testimony is untrue, her word against his. If there is no proof of sex there can be no perjury or obstruction charge. Clinton may reason. But at this point, he does not know what the DNA tests on the little blue dress reveal.

All of these scenarios, however, still lead to some kind of showdown as Congress overhauls Starr's findings. A \$10-million probe of alleged wrongdoing in the White House, an investigation that has swept from Arkansas real estate purchases to the abuse of travel vouchers in the White House and now to Monica Lewinsky—may land on the desk of lawmakers with the think of righteous indignation as early as next week in Clinton's Republican opponents, who control Congress. Do not expect any experience with Lewinsky to be a hindrance in elections for all of the House of Representatives and one-third of the Senate take place in November. After all, most surveys show Americans have no appetite for impeachment regardless of what their President did in the wee hours in the Oval Office. Moreover, the Republican margin in the House is only 10 seats, and many races are too close to call.

But if the Republican effort built away after November, adds one try, a declining Starr report would make impeachment hearings difficult and even that is a party down. Truly want the in. The Republicans would prefer to see a badly damaged Clinton stay in power and in the process last discrediting Vice-President Al Gore, the likely Democratic candidate in the 2000 presidential election. So Clinton may not be booted from office for his alleged sexual proclivities, but he is likely to suffer from them for some time to come.

Lewinsky accuses at the courthouse: the President denies. Washington is abuzz with speculation about what Clinton will say when he testifies, but his options are limited

WITH WILLIAM LORITZER in Washington

Kosovo: a massacre revealed



Blood stains and scattered belongings litter a deserted street in central Grahovo on July 22; refugees returning to the town last week must wear face masks to avoid the stench



Witnesses report a bloody slaughter of ethnic Albanians by Serb forces

In the small Kosovo town of Grahovo, there is a truly religious sanctuary known as the *Ullku*. Ethnic Albanians, followers of an old Muslim dervish sect, have long gathered there to worship in a courtyard shaded by vines and a large apple tree. With its crystal clear sacred spring, which local people say has never dried up, the *Ullku* provides a welcome haven from the heat and dust of Serb-ruled southern province. But last month—according to witnesses who spoke to *National Geographic*—the *Ullku* was the scene of a bloody massacre carried out by Serbian police forces in their fight against Kosovo's Albanian separatists. Just what happened still shrouded in controversy, but accounts of more than 200 dead, including women, children and the elderly, concurred with reports last week of mass graves in the town.

Many of those who escaped the killing are too terrified to speak. In rumors scattered in all directions, joining an exodus of refugees fleeing a major government offensive across Serbia's poorest province against rebels of the Kosovo Liberation Army. That vice was described to *National Geographic* that could qualify as the worst atrocity in the Balkans since Bosnia. Serb forces killed several thousand Muslims after capturing the town of Srebrenica in the summer of 1995. Just as the massacre there it only provoked the United States and its European allies into launching air strikes against Serbian targets to end the Bosnian war, Western politicians say the bloodbath in Grahovo—confirmed by their investigations—could cost several months of intervention and lead to intervention by NATO in Kosovo.

It was on the evening of July 17 that fighting broke out in Grahovo. Emboldened by recent successes in expanding their control over rural areas, the KLA rebels had decided for the first time to take over an urban centre. Fighting raged over the weekend of July 18 and 19 as the KLA held the outskirts of Grahovo. The town's 20,000 or so people—an ethnic mix of Albanians, Turks, Muslim Slavs and Serbs—sheltered in their basements from heavy shelling. "On July 20, we ran from our houses and took shelter in the *Ullku*," recounted one Albanian man too frightened of reprisals to give his name. "There were 800 to 1,000 of us, mostly women and children."

The local leader of the town's majority Shia Muslim sect—the *Hakani* dervish order that spread throughout the Balkans in the 17th century—was Sheikh Muhamed, who, as his title revealed, was a saint. Fatherly Sheikh, as he was known, was not a KLA supporter and had tried to preserve the peace in Grahovo by negotiating with the town's Serbian

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mayor, Buba Sheti told the terrified throng of people that police had threatened to enter the town if they did not leave. The grandson, Fatmir, agreed to lead them out. As the crowd began moving towards a mosque used by mainstream Sunni Muslims in the centre of town, two police armoured personnel carriers appeared. "Fatmir went first with another man, their hands raised in the air, and asked them not to shoot," the survivor said. "But our policeman started to shoot in the air and the crowd turned and fled. The firing went on and at least 15 people were killed at that moment. There were only 50 to 60 men in the crowd and the police targeted them."

The crowd divided. One group ran back towards the Mkh, several hundred yards right. The second group reached a factory called Spetari in on the edge of town where more police are said to be. "I don't know how many people were killed," said the witness. "I saw a bunch of and recognized one woman. An 18-year-old girl and several elderly women were wounded. We kept running and got to a field called Ramak. I saw our group getting smaller and smaller." Finally, they reached the village of Drenac and were joined by other survivors, about 250 in all. From there they walked into the woods and hills.

A second witness, who also asked to remain anonymous, gave the same account of how police initially opened fire on the crowd. He fled towards the Mkh but later had to change direction again. "I heard the screaming of women and children," he said. "A lot of bullets flew overhead." He hid in a house and finally escaped. A third man who spoke in Albanian described finding the body of a married couple after returning to the Mkh the next day in search of relatives. "I went to the main building," he said. "There was a huge queueing on the stomach. I turned him over—he was Buba Sheti. In one hand he held several keys. He was shot in the back. I closed his eyes and covered him with a jacket."

Grandson Fatmir said he heard the shots that killed Buba Sheti. He was told by other witnesses that police demanded the clinic open the main building where he held religious audiences, and when he refused to do so, the men entered in Mkh and his dead body was found. "My grandfather was a great operator," said Fatmir. "He didn't think that these things would ever happen." The body of Buba Sheti now lies in a coffin (a maula) at the back of the Mkh draped in prayer beads and towels that symbolize spiritual cleansing. Nearby in the complex are the ruins of several houses burnt to the ground. Another witness told Mkh that an uncle was shot dead there and their bodies buried. How many people died in the Mkh has not been confirmed. Killings occurred across the town, in gardens and houses. Fatmir told journalists that over 200 people died. A source close to Western investigators said the Muslim community has a list of 215 names but it has not been made public. A Kosovo Albanian human rights group has 56 names, including children and women, among them Fatmir Baguti who was 22 and pregnant. The imam, or prayer leader, at the Sunni mosque, Sani Syfca, was wounded.

Residents say that on July 21 police and local people cleared the streets of bodies, leaving them open to the sun. About a dozen were sent to the nearby town of Pristina. The next day, Serbian authorities took foreign journalists on an escorted tour of Orinikovo. One Dutch reporter who managed to stay behind came across three bodies still lying in gardens, uncollected.

Rumors spread of the massacre and of mass graves. Diplomats were initially skeptical, paying down sludgy reports that could not be substantiated. At the same time, Western governments were turning a blind eye to the Serbian policy of silence that was destroying the KLA and its decent, popular in Western capitals, of independence for the Kosovo Albanians.



Photographing an alleged mass grave: the Serbs insisted that only terrorists died

Killings occurred across the town, in gardens and homes

By early August, reporters found the first evidence of a mass grave—what looked like a garbage dump heavy with the stench of earth on the edge of the town's Muslim cemetery. Straggled about 30 wooden stakes, some with names, some with numbers, were stuck in the mix of dirt and garbage, a bulldozer standing nearby. On Aug. 3, the German newspaper *Tagesspiegel* quoted an unnamed Gypsy gravedigger as saying he had taken part in separate burials and had counted 567 bodies—an improbably high number. The Serbian authorities erupted in anger. The next day, another escaped local of Orinikovo took flight.

Police spokesman Col. Bozidar Filip (quoted that a total of 58 Albanians had been killed in Orinikovo and that all were "terrorists" who had died in combat. Of them, he said, 40 had been buried individually and properly in the presence of a judge, next to the Muslim cemetery. "The rumors about mass graves are a product of Albanian terrorist leaders to disturb citizens from their happy deaths," Filip maintained. Yet one of the signs bore the name of Sabina Muhareze. Conspiracy to offend: all the victims were rebels, reportedly mainstream Muslims was a 36-year-old woman killed in her garden.

Diplomats have demanded that forensic experts be allowed to dig up the grave by the cemetery. U.S. investigators are believed to be in possession of the testimony of survivors and to have a list of known dead. Ironically, during the escorted convey to Orinikovo, journalists were taken through the small town of Malisheva, a rebel stronghold that police took without a fight in late July. As they drove by, the same spot where was in flames. Journalists there earlier in the day saw police pouring gasoline into soil, drink cans.

According to the mounting reports of atrocities, the violent destruction of villages and the flight of an estimated 300,000 refugees over the past few months, U.S. envoy Richard Holbrooke warned last week that Yugoslav President Slobodan Milosevic "had increased drastically the likelihood of possibility of ethnic Western intervention of a military sort." British Foreign Secretary Douglas Hogg also spoke forcefully about the reports of mass graves. "If there is any truth in these horrifying accounts," he said, "we must have a firm and united international response." On the ground, however, the Serbian onslaught has proved consistently effective, and the KLA is in deep despair. As a warning to Milosevic, NATO scheduled exercises near the Kosovo border in neighboring Albania and Macedonia for coming months. But these rumors still give the Serbs time to complete their devastating operation, and they come far too late to help the victims of Orinikovo.

GLENN DUNN/REUTERS in Orinikovo

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World NOTES

UPRISING IN CONGO

Congo President Laurent Kabila's 34-month-old regime was under siege after Tutsi soldiers rebelled in the eastern part of the country. Kabila threatened war against neighboring Tutsi-run Rwanda, which he accused of aiding rebels who captured key eastern border towns, including Bukavu. The rebellion was eerily similar to the Tutsi-led uprising Kabila led in the same region, ultimately overthrowing dictator Mobutu Sese Seko, who died four months later. Rwanda backed Kabila then, but now says he "has downgraded" Tutsis in his government and failed to stop anti-Rwanda guerrillas in the border area.

KASHMIR BATTLE

Tension rose between India and Pakistan as they fought a week-long artillery duel that rained mortar and machine-gun fire on both sides of the disputed Kashmir border, killing 120 people. The two nations, which both tested nuclear bombs in May, have fought two wars over Kashmir. Pakistan's ambassador to India warned that the conflict was "destabilizing the situation in a nuclear context."

A NEW IRAQ STANDOFF

Iraq broke its cooperation with United Nations weapons inspectors after their chief, Richard Butler, refused to give an immediate certification that Baghdad had destroyed all its chemical and biological weapons and long-range missiles. Butler said he needed more information on Iraq's biological program. The certification is required before economic sanctions against Iraq can be lifted. The UN Security Council called Iraq's move "totally unacceptable," but Secretary General Kofi Annan said the latest move could be settled peacefully.

ANTI-GAY ANGLICANS

Led by conservative Anglican and Asian members, Anglican bishops declared homosexuality to be "incompatible with scripture" and said homosexuals should not be ordained as priests. The bishops, meeting in the one-a-decade Lambeth Conference in Canterbury, also said sexuality for married couples and civil partnerships by anyone else. Although not binding on national churches, the vote of 325 to 70, with 45 abstentions, evoked a global split in Anglican ranks.



Removing a body in Nairobi, wreckage outside U.S. Embassy (below) were among in Tanzania

Horror blasts in East Africa

Diplomat Darul Saeed was on the seventh-floor roof of the Canadian High Commission in Nairobi, Kenya, for his morning smoke, looking in the direction of the American embassy 500 m away, when a devastating bomb went off last Friday. "It was just before, a massive blast, a big column of black smoke, a lot of dust, paper flying around, vehicles all over the place, people running," the visiting Irish embassy's secretary told Maclean's. "It was chaos. We saw buses that had been scorched. It was pretty depressing—very, very depressing."

And horrific: The car bomb, which left a huge crater behind the U.S. Embassy and toppled a nearby four-story building into it, left at least 132 dead and more than 1,600 injured. Within five minutes, another car bomb went off outside the U.S. Embassy in Dar es Salaam, Tanzania, where another seven died and 72 were injured. The terror blasts—almost surely coordinated—took the lives of eight Americans, and slightly injured U.S. Ambassador to Kenya Prudence Bushnell.

No group stepped forward to claim responsibility, but as FBI agents hunt U.S. military and terrorist specialists examined the rubble for clues, American analysts began pointing fingers. Among the candidates were Osama bin Laden, a Saudi dissident living in Afghanistan

who told a U.S. television crew in June that Americans would be targets of guerrilla attacks. Bin Laden is the U.S. state department's prime suspect in a 1996 car bombing in Riyadh, Saudi Arabia that killed five Americans and a 1990 attack on a military housing complex near Dhahran, Saudi Arabia, that killed 20 U.S. servicemen. Other analysts pointed to the Islamic Jihad, which last week had vowed to retaliate against U.S. help in the extradition of three Jihad members from Albania to Egypt.

State department officials, however, were reluctant to speculate on who was responsible. They ruled out militants from the two East African nations because of the sophistication of the bombings and the absence of motive, both

countries are friendly with the United States. Saeed, who said he could see the explosion in the air, said there were no casualties among the approximately 1,600 Canadian tourists in Kenya, most of whom are in Nairobi. One Kenyan woman who works at the Canadian High Commission suffered a deep cut in the back of her head from a window that shattered in the blast. Although Kenya has had its troubles, Saeed said, for the most part it is "very stable and peaceful." That has wounded them deeply. If Kenya that is mourning so much as the Americans.

JUDITH NICOLE

CAR THEFT FOR EXPORT



Automotive
Cohen got her Pathfinder back before it left the country; it takes a pro just a few seconds to steal a vehicle (far right)



Wealthy foreigners gladly pay huge prices for late-model cars stolen in Canada

BY RAE CORELLI

A 18-year-old May 23, real estate agent Sylvie Cohen walked out of her home in an upscale neighborhood of Thornhill, Ont., north of Toronto, to go for a morning workout. But she never got there because during the night thieves had stolen her brand new Nissan Pathfinder (at right) out of the driveway. Nine days later, Peel regional police raided a warehouse in nearby Brampton. They arrested the owner, an Atlanta-born freight broker, at gunpoint and charged him with the possession of nearly two dozen stolen vehicles, including Cohen's Pathfinder, all headed for Africa. Police found two of the cars at the warehouse. Canada Customs discovered the rest in shipping containers at a Brampton rail yard and at dockside in Montreal. Cohen has her sport utility vehicle back, but she is still in court. "Everybody I've talked to has a friend or relative who has had a car stolen," she says. "It's a racket that makes me sick."

Cohen is among the hundreds of thousands of Canadians and Americans whose cars, vans and sport utility vehicles are stolen each year, many of them by well-organized gangs who ship the vehicles to wealthy and willing buyers around the globe. Five years ago, North America's auto theft-for-export racket barely existed. But the collapse of the Soviet Union, lower international trade barriers and the glamorous lifestyles portrayed worldwide by Western commercial television have all combined to whet the appetites of millions in distant

lands for luxury vehicles previously beyond their reach. The estimate who moved to meet that demand—some suggested at least \$100 billion to \$200 billion—are now rolling up annual profits calculated at \$45 billion to \$50 billion. In the process, they have left police, customs agents and insurance companies on both sides of the border tremendously frustrated. "What can we do to stop it?" asks George Webb, manager of strategic export control and counterfeits for Canada Customs in Ottawa. "I have no idea, and I don't think anyone else has either."

The theft of motor vehicles for profit is crime on a global scale. Statistics Canada says auto theft in this country alone is increasing by about 10 percent a year. In 1996, thieves made off with 178,586 vehicles and more than 43,000 have never been recovered. "The proportion of stolen cars that are never recovered," says StatsCan, "is a good indicator of the number of vehicles stolen each year by organized theft rings." Webb says a recent study by Canada Customs says that upwards of 3,000 of the non-recovered vehicles were shipped abroad. But he adds that he would not be surprised if the total were closer to 20,000. Asked about that figure, Mark Solomon, assistant director of the customs intelligence service at Montreal, says, "I'd say you were in the ball park."

Meanwhile, the North American Export Committee, a two-month coalition of police, customs and insurance investigators with headquarters in suburban Chicago, estimates that of the 1.3 million vehicles stolen in the United States in 1996, 200,000 were exported. "I

won't say that's a conservative figure, but it's a lower low end one," says U.S. Customs senior special agent David Suprak, attached to the American Embassy in Ottawa. Clearing more than \$7 billion a year, auto theft now leads all other property crime in the United States (and, in Canada, is the only crime against property that keeps rising every year). And while car theft overall has declined marginally in the United States because of tougher laws, authorities believe the export variety is thriving. "It's more widespread every year," says Suprak. "It's worldwide. Absolutely." It is costly in Canada, as well: two years ago, total claims against auto insurance companies alone hit \$600 million, up a hefty \$100 million from 1995. (Insurers recovered most of those losses by lifting premiums.)

One is in an airport parking lot. A shadowy figure in a dark jacket and jeans crouches beside the door of a luxury sedan. He jams a screwdriver under the window and the door frame, looses and pushes a lever. A click and the door is unlocked. Once inside, he jacks off the plastic ring around the ignition, which enables him to bypass the ignition lock and start the car with the screwdriver. He is quickly gone. Elapsed time, depending on the make and model: 15 to 40 seconds. The most popular targets of theft-for-export: Jeep Grand Cherokees, Nissan Pathfinders, Toyota 4Runners, high-end models by Mercedes-Benz, BMW, Lexus and Infiniti, and well-equipped versions of vans made by several manufacturers.

The losses cranked in the lives of people preyed on by car snatchers—losses measured by statistics. Cohen says that when she returned her late had been stolen, "I went ballistic, I was just beside myself. I felt emotionally raped." She had left her laptop computer and dozens of files in the Pathfinder the night before, so "I had no business to run," she says. "Who had given me cheques and who hadn't,

I didn't know. I wasn't able to work for two weeks. Do you know what that means to a real estate agent? You lose contact with clients. Clients aren't loyal if you're not showing them houses, you don't call, they go somewhere else." To the police officer who went to her home to fill out a report, "I said how can you sit there so calmly, and he said it was his third stolen car in an hour." (When police found Cohen's vehicle, the laptop was gone but the files were there.)

Cohen has plenty of company. On May 30, commercial photographer Don Dumas, 41, and his 37-year-old wife, Maureen, left their home in Sudbury, Ont., for a three-day holiday in Las Vegas, Nev. Business pressure and the rest of a close family friend had led Maureen to say "We've got to get away for a few days before I blow up." They drove their 4x4—Maureen's, a Pathfinder—to Toronto where they checked into a hotel near Pearson airport to await their morning flight. Later that evening, Dumas walked to the hotel parking lot to leave his cell phone in the car, but it had disappeared. "Police said it was probably gone as soon after we checked in," says Dumas. They went to Las Vegas anyway and when they returned, noticed a car for the driver home. On June 4, customs officers found the Pathfinder in a container that had already been loaded aboard a freighter in Montreal. The intended destination: West Africa.

What sends the law enforcement community is the ease with which vehicles can be hijacked and smuggled out of the country. Auto theft rings often recruit teenagers to steal cars from airports, hotel and shopping mall parking lots, car dealerships, public streets and, as Cohen learned, private homes. The youngsters are paid in drugs or cash—around \$2,000 for each vehicle. Once a gang has assembled a shipment, they contact a freight broker, check they have overseas cargo, and ask him to deliver and drop a 20- or 40-foot container—to a warehouse, a broker's office, a

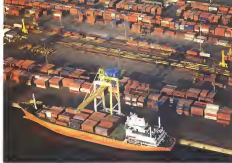
back alley or a backyard. There are just many reasons why a car is a 40-footer by having the front ends and stacking them like dominoes. They fill the rest of the space with old clothes, maps, insulating material or other junk, and pack back the doors.

The gang completes a meticulous dismantling of the contents as house-hold goods or personal property addressed to a supposed family member in Bulgaria or Vietnam or Kazakhstan. "They just these fictitious names and numbers on a piece of paper," says Halifax customs agent Michel Cormier. Then the criminals roll the freight forward to pick up the container. The forwarder, who is not interested in the contents because he is not responsible for them, delivers the container to a shipping line in Montreal or Los Angeles—and away it goes. The cars inside will be sold in Southeast Asia, Africa, the Middle East, South America or Eastern Europe for two to three times their original market value. In 1996, a Land that would have for around \$28,000 would go for \$250,000 (U.S.) in Moscow," says Toronto police Staff Sgt. Chuck Kieglert, an auto-theft specialist.

However, international vehicle traffickers do more than simply sell cars. They often give them new identities so that if police stop a new owners cover his vehicle will not show up as stolen. This is done by applying a copied or counterfeit vehicle identification number (VIN), the 17-digit code imprinted as a plastic or metal strip and visible through the windshield. Some gangs cruise parking lots, making lists of VINs, which are applied to stolen cars of the same make and model. Owners will pay salvage yards thousands of dollars for wrecks just to get legitimate VINs for use on stolen vehicles that match.

The scheme is not foolproof, police in Latvia recently advised a 1996 Chevrolet bearing the stolen VIN as one in a Toronto driveway.

For a month's road drive in one last hurdle before a big payday—the car has to be a Canadian driver. U.S. Customs agents of Canada and U.S. Customs who have the authority to turn the car over and search overseas-bound containers. But the smuggler runs little risk. The owner, 20 million to 25 million Canadian dollars and lower North America's major East and West Coast airports every year. Customs officers lack the time and staff to target freight forwarders and exporters or importers with suspicious records. "Vehicles we



do inspect may not yet have shown up on the computer as stolen," says Kris Scottie, chief of Canada Customs marine operations at the port of Vancouver. "Then after they're gone, we find out they were."

And because of the ever-present worry about narcotics, explosives and illicit weapons, containers coming into the country are given priority over the ones leaving it. Even so, Canada Customs inspectors only about three per cent of about containers and fewer than one per cent of those on the way out. From September, 1996, to December, 1997, customs returned only 236 stolen cars to their owners, 150 were reported before they left the country and 84 were seized by the police or customs agents of foreign countries and sent back. "You can only search a small proportion of anything entering or leaving a major trading nation," says Michel Cleroux of Revenue Canada, which runs the customs service. "If you tried to search everything, the economy would collapse."

HOT CARGO: Packed in containers, thousands of stolen cars are shipped from Montreal and other ports.

In a farmer's field outside Warsaw in woods higher than the buildings, all sorts of cars and sport utility vehicles, most of them Toyota 40s. They have been there for two years and are part of the more than 11,000 vehicles seized by Polish police in an estimate was about 40 per cent of the cars. Every per cent of the 11,000 are from Canada. Ex-Montreal Ron Giblin, associate vice-president of the industry-sponsored Insurance Crime Prevention Bureau in Toronto, says investigations are under way to have the Canadian vehicle registered.

Caught between car thieves in Germany and stolen-car buyers in the former Soviet Union, Polish authorities have ended down—and a price. On Jan. 25, the former chief of Poland's border police, Marek Papula, was shot to death in front of his Warsaw home, only days before he was due to join European Union negotiations in Brussels. "We know that some very serious people are involved in the theft of cars," says the U.S. Customs' Supnick.

Three weeks earlier, Bulgarian police arrested a dozen members of an auto-theft ring in Sofia and impounded an equal number of cars, all stolen from car dealers and parking lots in Quebec. At last report, police were still working for the magnitude of a dozen or so Bulgarian-born Canadian citizens. Karl Biele, head of a Bulgarian police organized crime squad, and the vehicles included a Mercedes 60SEL, a Cadillac Fleetwood and a Nissan Infiniti, worth an average of \$80,000 (U.S.). All had been shipped from Halifax to the Greek port of Piraeus in containers filled with insulation and were to have been re-exported to former Soviet republics. Biele says his unit is in hot pursuit of a stolen car that cannot be stolen. Mercedes-Benz vehicles in Ukraine per capita than any country, including Germany—but not a single dealership.

The reappearance of shaggy-haired vehicles does not always lead to arrests. Five white Jeep Grand Cherokees were whisked away from a Toronto dealership last year, loaded in to containers and driven to Halifax. Customs had been asked, know the name of the criminal mastermind and transporter but not the container numbers, and the freight left.

Customs notified their counterparts at the European destination who had no better luck. Agents eventually traced the Grand Cherokees to a small Nissan station—where the vehicles were being driven by veteran officers.

Day last year when RCMP and Châteauguay municipal police raided a house on Vaudry Island, east of Montreal, inside they found an earboring machine for counterfeiting VINs, a device for making car keys, 31.6 ounces of silver, U.S. and Canadian currency and a press for printing money. The stolen cars, three silver and seven vehicles believed to have been headed for Russia. Police arrested two men and a third, the suspected ringmaster, was caught in Los Angeles with 300 kg of cocaine and is now serving 25 years to life in a California prison for trafficking.

A common complaint of customs officers and police in Ottawa's future to back them up with tougher laws. The customs penalty for stealing a car or possessing a stolen car is 10 years, which courts rarely impose. "We've got to have governments at the top and pay attention, but nobody's listening," says former Ottawa Provincial Police detective staff sergeant Dennis Pearce who retired on May 31 after leading the premier's personal auto theft team. "You get caught with a container full of drugs and they're never use you again for 15 minutes," claims Giblin. "You get caught with a container full of vehicles and you get a slap on the wrist." He adds: "I don't think we'll ever eradicate the problem."

DETERING THE THIEVES

Auto-theft investigators across Canada agree there is no such thing as a car that cannot be stolen. Unless it is locked in a garage. But for motorists prepared to spend the money, there are devices that at least present a challenge to the skills of a professional car thief.

Among them:

- A metal bar that locks onto the steering wheel so that it cannot be turned. Works well against amateurs, but the pros have been known to cut the bar, remove the bar, remove the car and drive.
- Cost: \$35 and up
- A mechanical system that is activated the moment a car is locked, immobilizing it. Ron Giblin of Canada's Insurance Crime Prevention Bureau says the system was devised by the bureau and the insurance industry. He says the device cannot be easily bypassed.
- Cost: Not yet available
- A variety of disabling apparatuses called "kill" or "drop-dead" switches. Some start down the electrical system while others cut off the fuel supply after a car has moved a few feet. "If the guy hasn't brought a tow truck, it works well," says Det. Jeff Gane of the Peel regional police.
- Cost: \$20 and up
- Car alarms, actuated by motion sensors that set off sirens, honkers, flashing headlights, horn-blowing and other ear-splitting noises.
- Cost: From \$200 to more than \$1,000
- A whole galaxy of radio and electronic transmitters that do prevent a vehicle from being stolen but can record its position afterward with varying degrees of accuracy. The ones that employ satellite tracking can pinpoint a car's location to within 30 m.
- Cost: About to reach \$2,000
- The newest technology to spot a stolen vehicle on the move is STAR (The Star Auto Information System), installed at the port of Miami. Trucks carrying containers pass through a keyhole between two metal standards, one on each side of the road. If there are cars inside, they show up clearly on a monitor. The problem, says U.S. Customs and special agent Daniel Spence, "is that as soon as the trucks knock it's there, they get the word out and everybody moves to where the machine isn't."
- Cost per unit: \$25,000.

R.C.

WHERE THE STOLEN CARS COME FROM

Thiefs by province/territory per 100,000 registered motor vehicles

	2000	1999	1998
Newfoundland	184	20	-27.3
Prince Edward Island	224	11.2	-33.3
Nova Scotia	428	30.5	13.4
New Brunswick	349	5.9	-6.5
Quebec	1,218	10.8	-4.5
Ontario	2,959	1.7	48.9
Manitoba	1,518	9	190.4
Saskatchewan	928	24.9	80.5
Alberta	740	13.9	-17.8
British Columbia	1,627	18.6	36.1
Yukon Territory	578	-14.4	4.1
Northwest Territories	1,552	-8.5	-26.5

A SHOPPING LIST

The top 10 vehicle makes and models most often stolen by car thieves in Canada in 1995-1996 (the most recent year for which figures are available).

- 1 Honda Prelude
- 2 Jeep YJ
- 3 Suzuki Sidekick 2-dr., 4WD
- 4 Acura Integra 2-dr.
- 5 Jeep Grand Cherokee 4WD
- 6 Acura Integra 4-dr.
- 7 Honda Civic 4-door
- 8 Honda Civic 2-dr.
- 9 Nissan Pathfinder 4WD
- 10 Toyota 4Runner 4WD

SOURCE: CANADIAN CRIME SURVEY



THE LOCK: Professionals crook at it by cutting the steering wheel in half.

system that is activated the moment a car is locked, immobilizing it. Ron Giblin of Canada's Insurance Crime Prevention Bureau says the system was devised by the bureau and the insurance industry. He says the device cannot be easily bypassed.

Cost: Not yet available

● A variety of disabling apparatuses called "kill" or "drop-dead" switches. Some start down the electrical system while others

White-knuckle ride

BY TOM FENNEL

Robert Johnson is sleeping easy these days. While millions of new investors plunged into the surging stock markets, Johnson, a retired purchasing manager, kept the bulk of his money in bonds. Over the past five years, he missed one of the strongest runups in market history. But last week, as he entertained his grandchildren under brilliant sunshine on the front lawn of his suburban Vancouver home, he was able to invest in the stock markets in New York City and Toronto now—down, long as much as three per cent of their value in a single day—ensuring some investors to wonder if the great bull market was at an end. “I know I could have made more money in stocks,” says Johnson, “but when the market begins going up and up you get greedy. You know it’s going to come down.”

If the market begins climbing North American exchanges have their way, more investors may wish they had followed Johnson into the security of bonds. Over the past five years, as the bellwether Dow Jones industrial average more than tripled in value, investors could depend on low to modest rates and strong corporate earnings to keep stock prices climbing. As long as both trends remained in place, investors could justify buying stocks at sky-high prices. But last week, a number of major U.S. companies warned that their profits were being crushed as sales dropped in the depressed economies across Southeast Asia.

While skittish investors worried over how long the Asian flu will last, the sinking Canadian dollar added to the growing sense of dread when it plummeted to a record low of 65.15 (U.S.) cents. To top the free fall, the Bank of Canada spent more than \$800 million (U.S.) to purchase Canadian dollars, which forced the price up slightly to 65.79 at the close of trading last week. Finance Minister Paul Martin also rushed to the bourse’s defense, saying economic growth remains strong and that it is only a matter of time before the currency rebounds. Still, according to the Conference Board of Canada, growth slowed to two per cent in the second quarter, down from 3.4 per cent in the first. The U.S. slowdown was even steeper, falling to a 1.4-per-cent gain in the second quarter, from 5.5 per cent in the first three months of the year. “Until we get Asia behind us,” says Paul Darby, the board’s director of economic



forecasting. “It’s going to be a rough ride on the stock markets.”

The white-knuckle ride—fueled by slowing growth, the Asian flu and the falling loonie—was enough to send investors stampeding out of the market. At week’s end, the Toronto Stock Exchange was down 15 per cent from the high of 7,932.25 it set on April 22. Meanwhile, the Dow has fallen eight per cent since July 1. Just of 9,537.67. Furthermore, over the Dow also slipped over into stock markets across Europe and Asia where many of the leading indices dropped sharply.

While stock markets rebounded slightly from their lows of the week, many analysts believe the worst is yet to come. In the next few weeks, more pessimistic observers predict, markets around the world could lose as much as 30 per cent of their value. That could signal a sea change in investor attitudes. In the past, wall market players have used corrections as buying opportunities, but many may now be taking Johnson’s advice and buying bond funds, which tend to be less volatile than stocks but also have paid about 10 per cent. “It used to be like pulling teeth to get my clients out of stocks and into bonds,” said Alan Dorpy, a Vancouver-based investment adviser with C. M. Oliver & Co., “but over the past few days, it’s been a lot easier.”

Investor psychology, as much as the economy, was at the heart of



Frankfurt...



Tokyo...

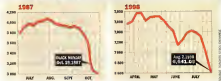


New York...



São Paulo

AN ANATOMY OF TWO STOCK MARKET COLLAPSES



the sell-off. Last week, Monica Lewinsky testified before a grand jury about her relationship with U.S. President Bill Clinton, further fueling speculation that he could face impeachment. Then there was Ralph Annunzio, one of Wall Street’s leading hedge funds, who suddenly turned bearish and touched off a wave of selling. “Some stocks have gone right through the floor,” said Annunzio, speaking on national television. “Now, we’re going to take out some of the big names.”

As the week progressed, a tug of war emerged between bulls and bears, with the market falling and rising rapidly. “The market wants to come back, but it can’t,” said Katherine Beattie, a market strategist at Standard and Poor’s M&M’s in Toronto, as stocks sold off. Beattie said the sell-off was similar to the crash that ensued nearly 25 per cent of the value of the New York stock market on Oct. 19, 1987. The only difference, she said, is that instead of just seven hours, the market will take one or two months to bottom out. John Ing, president of Mircea Pharmaceuticals Canada Inc., also says he expects the markets to be wracked by volatility. “From here to November,” said Ing, “will be very difficult for market players.”

Some investors seem determined to ride out the storm. Geoff Berdy, a vice-president and portfolio manager with Investment Group in Winnipeg, said there were no signs that investors were selling their mutual funds in a panic. And those who decided not to cash out could also take heart from Abby Joseph Cohen, a market strategist at Goldman Sachs in New York and a leading market bull. Sellers, says Cohen, overreacted to the threats posed by the Asian flu and the slowing corporate earnings. The latest news on the economy and corporate earnings, said Cohen, “have been better than is commonly perceived.”

But the TSE, says the Conference Board’s Darby, will have a tougher time rebounding from the sell-off than the New York exchange. Many of the companies that traditionally lead the TSE are commodities producers. With many commodities trading at 30-year lows, and demand

dampened by the slowdown in Asia, it could be months before the TSE rallies significantly.

Canadian stocks are also being weighed down by the weak loonie. Ing said investors believe the Bank of Canada will be forced to intervene to stop the dollar by raising interest rates—and that will slow the economy. “We cannot have a weak dollar for too long,” said Ing. “Rate increases are inevitable.” But Jeff Rubin, chief economist with the CIBC Wood Gundy Securities in Toronto, believes that the only way to prop up the dollar is to combat a rate increase with a massive tax cut. The stimulative effect of a tax cut would offset the dampening effect of a rate hike. “If there are going to be rate hikes,” said Rubin, “then there had better be something to mitigate the effect on the economy.”

Both the New York and Toronto stock markets badly need the depressed Asian economy to rebound. William Saywell, president of the Vancouver-based Asia Pacific Foundation of Canada, says Southeast Asia will remain in the doldrums as long as Japan is unable to reconvert. Last week, Japan’s new finance minister, Ichiro Miyazawa, promised to stimulate the country’s economy with tax cuts. The markets initially rallied on his announcement, but fell back when doubts emerged over his ability to carry through with the cuts. “The big question is what happens to Japan,” says Saywell. “Japan has to get out of the grip to be an effective trading partner.”

One bright spot was the release of forecasts that predicted moderate economic expansion in 1999. The Conference Board forecasts that growth next year will be close to three per cent in Canada and slightly less in the United States. And with low interest rates and low inflation expected to continue, the markets should move higher again early in the year. Such optimistic forecasts may keep small investors like Dawn Marchand in the market. In fact, Marchand, a marketing consultant living in Windsor, Ont., said she plans to buy stock as prices slide. Says Marchand: “I don’t care about this downturn.” But the volatile markets may yet test her resolve. □

Around the world, skittish investors flee the turmoil of stock markets

CIBC SHOCKS INVESTORS

Canadian Imperial Bank of Commerce warned of a sharp drop in expected third-quarter profits due to stock market volatility and its costly takeover of U.S. brokerage Oppenheimer & Co. The announcement sent bank shares tumbling on the Toronto Stock Exchange and cast a pall over the merger plans of four of the Big Five banks.

LACEY'S NEW JOB

John Lacey, former president of WIC Western International Communications Ltd. of Vancouver, was appointed CEO of Toronto-based grocery giant Oshawa Group Ltd. Lacey announced in July he would leave WIC after Shaw Communications Inc. of Calgary won a battle with Winnipeg-based Clifford Global Communications Corp. for control of WIC.

A BUTTON-DOWN DEAL

U.S. clothing retailer Men's Wearhouse Inc. agreed to acquire privately held Moores Retail Group Inc. of Montreal for \$100 million in stock. Moores operates 112 men's apparel stores, including eight in the United States, while Men's Wearhouse of Fremont, Calif., operates 456 stores in 38 states.

MAIL LOANS PROBED

Alberta Auditor General Peter Velencek said he is probing a secret 1994 loan agreement between provincially owned Alberta Treasury Branches and the 850-acre West Edmonton Mall. Its owners, the Greenstein family, who owe an estimated \$250 million to ATB, said in a statement the mall is financially strong and will not renege on its loans.

VOISEY'S COMPROMISE

Newfoundland gave ground in a dispute over the Voisey's Bay nickel find in Labrador, saying it would accept a smaller version of the smaller original, as proposed for Argentina, Brazil, India and U.S. of Toronto says it can run off the project due to low nickel prices, but would consider a scaled-down operation.

MGM ROARS FOR HELP

Metro-Goldwyn-Mayer Inc. said it is seeking a merger partner to help it expand beyond film and TV production. To cut costs, the legendary studio, which made such classics as 1939's *Gone With the Wind*, will halt development of new TV shows and reduce the number of films it makes next year to 10 from 12.

A leaner, meaner GM

In the wake of the largest strike in General Motors' history, the auto giant announced plans to sell its huge Delphi car-parts manufacturing business next year and to overhaul its sales, service and marketing operations. That could lead to more consolidation with the United Auto Workers, which opposes splitting the subsidiary from GM and faces the prospect of 1,000 jobs being lost in the reorganization. The sale of Delphi's two Ontario plants, in St. Catharines and Oshawa, which make brake and battery components, was under way. The company will be moving from a 50-day walk-out at two parts plants in Flint, Mich., that shut down most of its North American operations before it ended on July 30. As a result, GM's monthly sales fell behind Ford's in July for the first time in 28 years.

A day after the Delphi announcement, the world's largest automaker unveiled plans for



Plant in Oshawa: labor peace is far from certain

a restructuring aimed at saving the company an estimated \$455 million a year. GM said it will reduce the number of models it sells to 70 over the next three years, from 80 now and 139 in 1992. At an industry conference in Michigan, GM chairman Jack Smith blamed the company's past problems on arrogance, but vowed to continue to reduce GM's work force and modernize its plants.

Club Z points to 2,000 Acropolis sales. As well, customers who pay with credit cards or have their bills paid automatically from their bank accounts will get a five-per-cent discount. Competition between the big three long-distance companies has now evolved beyond rates, said Jan Grant, an analyst with the Brookside, Ont.-based market research firm Taskon Group. "For the first time, all three major players have the same price," he said. "They're looking for a way to distinguish the flavor of their dial tones." Flavor it cheap.



JAN WONG
Journalist, Best Selling Author
Exhausted Mother.



BARBARA ZEIBOTS
Educator, Mystery Reader
Long Distance Walker

HEALTH • ENTERTAINMENT • WELLNESS • NUTRITION • BEAUTY • POLITICS • RECIPES • CRAFTS
DECOR • PROFILES • FAMILIES • RELATIONSHIPS • FASHION • BUSINESS • FICTION • ISSUES • MONEY

CHATELAINE. WHERE CANADIAN WOMEN GET IT ALL, TOGETHER.

Dialling for discounts

In yet another round of long-distance rate cutting, AT&T Long Distance Services Co. of Toronto has slashed its long-distance rates by a 20-per-cent plan for standard domestic calls made on weekends and evenings, and 20 cents a minute during business hours. Sprint Canada and Bell Canada have recently introduced similar schemes. The new plan comes with incentives for people who switch to AT&T. US&A

FINANCIAL OUTLOOK

Canada's unemployment rate in July remained at 8.4 per cent for the fourth straight month. The number of full- and part-time workers rose almost unchanged, but youth unemployment increased by 25,000, reversing most of the loss in June. Though better than expected, the flat job figures failed to boost the weakened loans

payments rate will dip to 7.7 per cent by the end of 1999, despite slower growth. Following a brief 4.2-per-cent growth rate in 1997, the Ottawa-based Bank of Montreal says the economy will expand by 3.1 per cent this year and 2.7 per cent in 1999.

"Private were able to overcome the effects of the GMI shutdown to post a rise. The employment advance opens a window of opportunity for the Bank of Canada to boost interest rates to provide support for the dollar."

—Nesbitt Burns

OUT OF WORK

Percentage of Canada unemployed, seasonally adjusted



"Employment gains have averaged just 22,200 jobs per month in 1998, notably slower than last year's pace of 30,980. The extra 8% last year from strong growth in private sector employment has faded in 1998."

—Royal Bank

Plain language for investors

In a language that still stumps all but the savviest investors, Canadian mutual funds—the dense, targeted fund that fills most fund prospectuses. But if Canadian securities regulators have their way, that esoteric language will soon be replaced by plain English and French. A proposed disclosure rule calls for fund companies nationwide to give investors a clear summary of each fund, including straightforward information on annual returns. “The central aim,” says Rebecca Conderly, a lawyer with the Ontario Securities Commission, “is getting investors to read the material and understand it and make more informed decisions.”

Fund companies currently offer so-called simplified prospectuses, which have come under attack for being too large and hard to understand. Under the proposal, companies will for the first time be allowed to include performance information, a practice previously restricted to promotional material. The summaries will also outline each fund's investment objectives and risks.

Still, investors will not get all the information they should, says Glosienne Sternberg, an OSC commissioner who first recommended improved disclosure rules in her 1996 report on the mutual fund industry. She says regulators did not recommend any change to a current rule that requires fund companies to pro-



Sternberg: Arguments for still more information

vide consumers with a detailed prospectus within two days of investing in a fund. That information should be available before they buy, says Sternberg. Investors and industry players can discuss that issue and others surrounding the proposed rule until Oct. 30. The final rule is expected to go into effect by July 1, 1998.

Currency surprise

Travelers braving the fall of the Canadian dollar for an overseas vacation may be in for a bit of a surprise. If they use local banking machines to get foreign cash, the transactions are recorded by Canadian banks in U.S. dollars. So even if someone is travelling in Switzerland, for example, where the Canadian dollar has fared better against the Swiss franc than it has against the U.S. dollar, the withdrawal of Swiss francs from a banking machine in Geneva or Zurich will be recorded as a transaction in U.S. funds. Not to worry, Canadian bankers say, this is not a plot to make their customers lose money on currency deals. “It’s purely an accounting caveat,” says Jane Dekkers, associate vice presi-

dent in charge of banking machines at the Toronto Dominion Bank. “We don’t make any money on the process.” TD Bank and other banks offering Visa cards use the international Plus network of ATMs, while the Bank of Montreal, a MasterCard bank, uses the Cirrus network. Both networks are U.S.-based and convert transactions made in foreign currency to U.S. funds before making the conversion to Canadian dollars. As Bank of Montreal spokeswoman Marilyn Koe explains, the bank uses a mid-range exchange price with no difference between the selling and purchase price. For bank customers, Koe says, the three-currency deal “doesn’t make any difference.” Which leaves overseas travelers to worry only about how far they can stretch an ever-shrinking dollar.

FORECAST: Commercial Real Estate Demand for Canadian office and retail space will remain strong for the balance of 1998, predicts Toronto-based Colliers International, Canada's largest commercial realtor. Commercial sales in major urban centres totalled \$9 billion in the first half of 1998, compared with \$12.7 billion for all of 1997. While buying by real estate investment trusts is expected to be sluggish, pension funds and private investors will continue to show a strong appetite for commercial properties, Colliers says.

Money Talks

Mad about mortgages

Customers in British Columbia filed a class-action suit against Royal Trust claiming they were overcharged for pre-paying their mortgages. Financial institutions charge penalties when clients pay off their mortgages before their stated terms, or renew mortgages early because of low interest rates. The Royal Bank—which took over Royal Trust in 1993, although the two remain separate legal entities—settled a similar suit in June, agreeing to refund every customer overcharged, plus interest. Forensic auditors are reviewing the bank's \$54-billion mortgage portfolio to determine how much is owed. Lawyers for the Royal Trust suit said they will ask the B.C. Supreme Court for a similar accounting.

Day care dollars

Parents in Toronto pay the highest prices in Canada for full-time daycare, a recent survey shows. The cost of placing a three-year-old child in a private, for-profit daycare centre for 40 hours a week in Toronto averages \$549 per month, says a study by Huntcliff Canada Inc., a management consulting firm. Regina is the least expensive city, with daycare costs averaging \$353 a month.

Average monthly day care fees

Vancouver	\$450
Calgary	\$407
Regina	\$353
Winnipeg	\$411
Thunder	\$448
Ottawa	\$571
Montreal	\$476
Halifax	\$451
S. Quebec	\$323

Caveat striker

Automotive consumer advocate, Ottawa's Consumer Action Group, is contemplating buying a new General Motors Corp. car or truck to wait until the first of the new year. That's because it will take that long for the auto giant's North American manufacturing plants to return to normal after they were idled by strikes at two parts plants in Flint, Mich. “These [strikes] will,” says GAG's president, “be a real test of the company's ability to produce and deliver cars and trucks as well as the beginning of the year.”

AIDS WALK TORONTO 98

Sunday, SEPT 27

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Molson Breweries. Partners in the fight against AIDS since 1988.

The changing face of AIDS

"Worry about AIDS? Who, me? I'm not gay?" This response was typical of many Canadians when HIV/AIDS first hit Canada in the early 1980s. Now, more than 15 years into the epidemic, the association between AIDS and the gay population has gradually eroded as AIDS migrates into new sectors of society.

"Since the onset of the epidemic, AIDS has revealed not just one but many faces," says Terrence Stewart, chair of the Canadian AIDS Society. AIDS does not discriminate. What was initially thought of as a disease of concern to few outside the gay community is now rated as one of the top 6 health concerns of Canadians. The "it can't happen to me" mentality is shifting as more and more people learn that someone they know is HIV-positive, has AIDS or has died from this disease.

Statistics show that HIV continues to grow, particularly among women, young men, aboriginals, and people who use injection drugs. Why is this epidemic still growing? Social factors, often beyond an individual's control, play a role.

Whether it is discrimination, poverty, lack of education, homelessness, substance abuse or a combination of all these factors, people at a social or economic disadvantage are hardest hit by this disease. Canadians living in poverty not only have a greater chance of becoming HIV infected, but experience a more rapid progression from HIV to AIDS, and shorter sur-

vival times than people with higher incomes. When faced with immediate, pressing challenges like finding food or shelter, people are not always able to protect themselves from HIV.

"HIV is a complex health threat," says Charles M. Roy, executive director of the AIDS Committee of Toronto (ACT), Canada's largest community AIDS service organization. "In order to be successful, efforts to control the epidemic from the community level have to address both HIV and the underlying social and economic factors that affect people's health."

Widespread and innovative HIV/AIDS education programs that target risky behaviors, and feature strategic interventions such as condoms, anonymous testing sites and needle exchange programs have made some headway in containing the HIV epidemic. Without community-based AIDS prevention work, the epidemic in Canada would be much more devastating.

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call 340-WALK
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then it is now. Crucial to the success of programs aimed at HIV prevention is the partnership between government and the national network of community AIDS organizations like ACT.

Community-based organizations like ACT play another very important role in the fight against AIDS. People living with HIV/AIDS, as well as their families and friends, need support to handle living with what is currently an incurable disease. Because the epidemic continues to expand in Canada, making inroads into new populations, community groups are called upon to continuously revise and renew their prevention, education, support and advocacy messages.

People living with HIV/AIDS need a strong support network to help them negotiate the challenges of their illness. And while treatment options provide hope and promise, allowing many of those infected to live longer lives, others do not respond well to treatment, or not for long. Despite progress, in 1998 we are still awaiting a cure for AIDS.

Thus, increasingly, ACT and other community groups are required to respond to the changing AIDS epidemic with both broader and more specifically targeted services to meet the needs of new and traditional populations of infected and affected people.

ACT - A Leader in the Fight Against AIDS

ACT, a community-based, non-profit organization, provides health promotion, support, education and advocacy services to men and women infected and affected by HIV/AIDS. Established in 1983, ACT is Canada's largest and second oldest AIDS service organization and has a staff of 36.

ACT provides a full range of free services to people living with and those affected by HIV/AIDS, from confidential one-on-one counselling to support groups to health enhancing workshops, and has the largest publicly accessible library of HIV/AIDS-related information in North America.

In 1997/1998:

- 10,944 people visited ACT's Access Centre for information resources.
- Our counsellors provided 2,464 counselling sessions to 720 clients.
- 688 rides to medical appointments were provided to people living with HIV/AIDS through the Drive Program.
- 1,200 volunteers contributed their time and talent to raise funds and deliver programs and services.

ACT receives more than 63 per cent of its total funding from private sources, including its three major fund-raising events in addition to AIDS WALK Toronto. ACT's events include Fashion Cares and Dancers for Life.

Fashion Cares

Join us on May 8, 1999, for Fashion Cares. This spectacular fashion extravaganza features a gala dinner, unique shopping bazaar and fashion show. For the most recent event, title sponsor MAC Cosmetics brought in top international entertainers including k.d. lang. Every year tickets sell out early so mark your calendar now and call the Fashion Cares information line at (416) 340-8484 ext. 251. Can't wait? Watch the 1998 Fashion Cares special on MuchMusic on Tues. Dec. 1 (check local listings for air time).

Dancers for Life

For one night each year, Canada's most celebrated dance artists donate their time and talent in a performance to benefit and support the work of the AIDS Committee of Toronto. Last year's gala performance featured artists from The National Ballet of Canada, Toronto Dance Theatre, La La La Human Steps, Montreal's Apogee Dance/theatre David Bédard and many others.

Each year, the net proceeds from ACT's three major fund-raising events: Dancers for Life, Fashion Cares and AIDS WALK Toronto are shared with other Toronto community AIDS organizations through ACT's Community Partners Fund.

If you would like more information about HIV/AIDS, if you would like to join our incredible team of dedicated volunteers, or if you need more information about any of our upcoming fund-raising events, please contact us:

AIDS Committee of Toronto (ACT)
395 Church Street, 8th floor
Toronto, ON, M5B 2S6
(416) 340-2437
Charitable Business Number 11877
9624 892066

Public Access Hours: Mon - Thurs
(9 a.m. - 9 p.m.), Fri (10 a.m. - 6 p.m.)

To make a donation to ACT by credit card, please call (416) 340-8484 ext. 326.

AIDS Committee of Toronto (ACT)

- ACT was voted "Toronto's Best Volunteer Organization" by the readers of NOW magazine.
- ACT was voted "Toronto's Best Community Organization" by the readers of Xtra! magazine.
- ACT was one of the finalists for the 1998 "New Spirit of Community" Partnership Awards from the Canadian Centre for Philanthropy for its groundbreaking partnership with Wood's on Church, a community bar.

AIDS WALK Toronto - Canada's Largest AIDS Fundraising Event!



When Toronto awakens on Mon. Sept. 28, the ninth annual 10 kilometre AIDS WALK Toronto will be over for yet another year. Thousands of individual walkers, hundreds of corporate teams and countless groups of friends and families who, less than 24 hours earlier laced up their sneakers together, will all look back on a sensational, successful day. The much-needed money will all have been raised, the celebration of music, comedy and community spirit that emerged Nathan Philips Square the day before will be but a pleasant memory.

The work will be over for another year for the many individual heroes who gathered to walk, to share, to show they care and to demonstrate, with their feet, their support for the many people in our community whose lives have been so dramatically affected by HIV/AIDS. For those who rise unquestionably to meet the AIDS WALK challenge, their work is done for another year.

But armed with the dollars that are raised on Sept. 27, ACT's work is just beginning. Counsellors, counsellors and volunteer outreach workers who provide education will commit themselves anew. These dedicated workers will continue to fight against AIDS on a hundred different fronts every day. Without the efforts of the walkers, this sustaining work would not be possible.

AIDS WALK Toronto is Canada's largest single day fund-raising event for AIDS. Last year, more than 18,000 walkers and over 200 corporate and community teams converged on Nathan Philips Square to walk the WALK and to celebrate their mammoth fund-raising commitment. Together, they raised more than \$825,000 and every dollar went directly to 26 community AIDS service organizations serving the thousands of people impacted by HIV/AIDS in Toronto.

The Honorary Hosts of this year's AIDS WALK Toronto are former Toronto mayor Barbara Hall, who is a longtime, dedicated supporter of

Together

- in the Spirit of Hope.



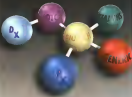
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Over-the-Counter Medicines

Partnership with other companies gives an leadership in the crucial self-medication sector.

Diagnosics

Our exclusive PCR™ diagnostic technology is revolutionizing disease detection.

Genetics

Roche's participation in Alkermes Inc. provides a strategic partnership in the important genetic sector.

Vitamins & Fine Chemicals

Roche is the world's largest producer and supplier of both vitamins and fine chemicals.

the WALK and Canadian Olympic swimming champion, Mark Tewksbury.

AIDS WALK Toronto celebrates the progress we have made in helping to fight this devastating epidemic but more importantly, it is a time to rededicate ourselves to supporting those in our community who have been infected and affected by HIV/AIDS and at long last, to finding a cure," said Hall.

Mark Tewksbury echoed those sentiments: "It is particularly encouraging to see the steady growth of individuals and teams in AIDS WALK Toronto. This is community activism at its finest, and the team spirit that is generated on Walk Day is, without a doubt, a major contributor to the overall success of this fund-raising effort."

AIDS WALK Toronto teams come in all shapes and sizes. Teams are organized in workplaces, places of worship, neighborhoods, athletic groups, families and groups of friends. Corporate Canada in particular has taken the lead in the fight against AIDS with its tremendous continuing sponsorship of the WALK itself, as well as other smaller events leading up to the WALK, and with its major team presence. Their efforts, as well as the dollars they donate and raise, represent the finest in Canadian corporate philanthropy.

In total, teams and corporate support account for almost two-thirds of all the money raised for AIDS WALK Toronto.

Here are just four examples of the more than 200 AIDS WALK Toronto teams that continue to raise money and awareness:

MOLSON BREWERIES

In 1984, Molson Breweries responded to a request from ACT, and 15 years later, their total contribution can be measured in the hundreds of thousands of dollars. In Molson Breweries, ACT truly has a corporate partner in the fight against AIDS. After taking a lead sponsor role



in every AIDS WALK since 1990, Molson moves this year to become the Presenting Sponsor of AIDS WALK Toronto. In addition to their generous contribution of funds, Molson brings its marketing, promotional and creative genius to AIDS WALK Toronto and many other ACT fund-raising events. But that is not the limit of Molson's support for AIDS WALK or ACT. Each year, the employees of Molson Breweries generate both enthusiasm and funds for their AIDS WALK team by holding casino nights and other events in their workplace. Molson also plays a lead role in Dancers for Life, one of ACT's other premier fund-raising events. Molson Breweries: an amazing team, an amazing partner.

HOFFMANN-LA ROCHE

Each year, the Hoffmann-La Roche Limited (Roche Canada) team returns to AIDS WALK Toronto with a renewed sense of enthusiasm and even greater numbers of caring co-workers, family and friends, not to mention generous corporate sponsorship. Like many teams who participate in the WALK each year, the Roche Canada team knows firsthand, through their research and development of HIV treatments, about the devastating impact that HIV/AIDS has had on our community and the people we care about. Their continued devotion to AIDS WALK Toronto speaks highly of the team's dedication to make a difference in the lives of those infected and affected by HIV/AIDS.

ROYAL BANK

With the dedicated support of employees, the Royal Bank Financial Group has been an enthusiastic corporate sponsor of AIDS WALK Toronto. In fact, this incredible group of caring people has gone on to win the James Thatcher Top AIDS WALK Team Award not just once, but an unprecedented three times in a row. There can be no doubt that this team will again be



Roche Canada. When the pieces came together and the chemistry is just right.

Hoffmann-La Roche Limited (Roche Canada)

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gunning for the top team prize this year, not just for the team, but because they care.

THE PRINTING HOUSE CHARITABLE OFFICE

The Printing House team, for the past four years, has brought to the WALK their unique brand of passion and excitement to Nathan Philips Square. More than 100 team members, representing Printing House branches from across Ontario, converge on Nathan Philips Square with colorful t-shirts, energy and fundraising enthusiasm. Last year, the Printing House team set their goal high and finished among the top 10 AIDS WALK Toronto teams. To add to their overwhelming support, they generously assist with the cost of printing of our AIDS WALK materials each and every year.

If you would like to start up your own team of friends, family or co-workers give us a call at 340-WALK and we can show you how easy it is and provide you with all the support you need! ■

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or visit our Web site at www.toronto.com/aidswalk
It's easy and it's free!



Health MONITOR

A test case for medical marijuana

Lawyers for a Toronto AIDS sufferer who has smoked marijuana to alleviate the nausea caused by his illness and the medication he was argued in a Toronto court that he should be exempted from a federal law that makes it an offence to grow or possess the drug. Saying that marijuana improves his appetite and lifts his spirits, Jera Wakeford, 53, argued that Ottawa, by forbidding him from using the drug, violated his right to life, liberty and security of person under the Charter of Rights and Freedoms. Diagnosed with AIDS in 1993, Wakeford said he started smoking marijuana two years ago. Now, he said, it is "the only substance that makes my day-to-day life bearable." Alan Young, a lawyer for Wakeford, suggested to reporters that Ottawa could set up an agency to legally grow marijuana for medical use, or that the RCMP could turn over some of the illegal cannabis it seizes for distribution to people with a proven medical need. A federal lawyer argued that Wakeford had undermined his case by not using any of the legal drugs that mimic the effect of marijuana.



Wakeford wants to use "the only substance that makes my day-to-day life bearable"

Controlling bone cancer

Bone tumors in women suffering from breast cancer were drastically reduced when they took a drug that is normally used to control osteoporosis, German researchers report. In a study of 30 breast cancer victims—who are at high risk of developing bone cancers—only 23 per cent of the women who took a daily dose of the drug clodronate over a two-year period developed

bone tumors, compared with 39 per cent of the women who did not use the drug. The University of Heidelberg scientists, writing in *The New England Journal of Medicine*, said the women who received clodronate also developed fewer tumors in other parts of the body. While some experts called the results promising, others said the study was too small to be regarded as conclusive. Experts speculated that clodronate may prevent bone cancer by creating bones a less favorable environment for tumor cells.

Insulin and heart attacks

Insulin levels can be as important in cholesterol counts—and more significant than blood pressure or anatomy—in predicting a person's chance of having a heart attack, according to a study by Finnish researchers. Writing in the *Lancet*, P. Oksa of the University of Kuopio said that in a 22-year study of Finnish policemen between the ages of 34 and 64, those with the

highest insulin levels were more than three times as likely to have a heart attack than those with lower levels. Insulin is a hormone produced by the pancreas that breaks down sugar in food. A person with high blood-sugar levels is more likely to develop diabetes, a known risk factor for heart disease. Experts said that although the Finnish study focused on men, the findings probably would apply to women as well.

Help to kick the habit

Tests on animals suggest that a drug used to treat epilepsy may also be effective in treating human cocaine addicts by blocking the effects of the drug, according to a study by American scientists. A report in the journal *Synapse*, published in Upton, N.Y., said that when cocaine addicts gave rats and baboons the drug vagostrin followed by cocaine, there was an increase in brain levels of dopamine—the "feel-good" chemical that plays a central role in drug addiction. Vagostrin, available in Canada since 1994, is distributed under the trade name Sabril by Lund, Que.-based Hoechst Marion Roussel Canada Inc. The study was carried out by scientists from the U.S. government-operated Brookhaven National Laboratory, also in Upton, and other institutions. The researchers plan to test vagostrin on human cocaine addicts this fall.



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The new new math

Long division takes a backseat to creativity

At the Gann housechild in Sedro-Blaine, mom's math hour is a ritual: less instruction, more argument. The daily lessons are not because 11-year-old Deborah is failing. Far from it. She graduated Grade 5 with an "outstanding" in math, the highest honor her school could bestow. But Deborah's mother has been a public-school teacher for 25 years and realizes that her daughter is "succeeding" in math without acquiring "what most people would call the basic skills."

"I noticed it with my older daughter when she hit Grade 6 as well," Maylene Gann explains. "Deborah just finished Grade 5 and she could not multiply using two-digit multipliers. For example, 352 x 58. At school, they just taught her two or three different ways of doing it and she was hopelessly confused." The school did not care. Deborah understood the conceptual way to solve problems, and calculations were available to do the math. But her mother cared, and in the process has become a modest but not silent in what, much of the border at least, are called "the math wars."

Nine years ago, alarmed at the performance of U.S. students on international math and science tests, the National Council of Teachers of Mathematics announced a wave of curriculum reforms that is now flowing like hot lava through Canadian schools. The new curricula's proponents call it "exploratory math" or "rich learning math." Its critics: "lousy math" or "whole math" (a derisive allusion to the whole-language reading debate) because of its emphasis on estimating, calculating and creative, rather than rote learning. California schools, which initially wanted to maintain the NCTM standards and are now backing out, are a case in point. And in some circles, and on the Internet, the debate has become so fierce that U.S. secretary of education Richard Riley has repeatedly called for a "research" between the NCTM and its critics.

One of the largest educational lobby groups of its kind—with a considerable contingent of Canadian educators and affiliated provincial associations—the NCTM is firmly on the pro side of the educational ferment. Its stated aim is to integrate the teaching of math—algebra, trigonometry and geometry, for example—with the same lessons, to challenge students with problem solving and to "de-emphasize" the NCTM's

termed technical skills such as long division. Because of technology, "the NCTM and people like us are saying we don't need to teach as much of the traditional math as we did 20 years ago," says University of British Columbia mathematician David Robitaille, a textbook writer who is also the Canadian coordinator for the international math and science tests. "But we do need people who are better at problem solving."



Kane, daughter Deborah of the kitchen table, succeeding in math without learning the basics

Another aim of the reforms is to make math readable. "Math should be about exploration, discovery and teaching students to think—not about getting the 'one right answer,'" says Peter Taylor, a math specialist at Queen's University in Kingston, Ont. A member of the team that is writing Ontario's new math curricula for high schools, Taylor says math should be taught the way literature is—with sophistication and "real-world" problems, and with books that can be taken home to be read and pondered over. The basic to basic proponents have some solid evidence with the new agenda, Taylor allows. But on the long run, he says, "I don't care so much if Canada doesn't do as well as Korea on these international tests. That is not what mathematics is about."

Indeed, a five-year pilot project is con-

ducting a new "readable" NCTM-based math course, written in part by University of Western Ontario educator Eric Wood. Has shown some promising results. According to Wood, the study found that high-school students following that program performed better on tests than their counterparts using more traditional methods, and that adolescent girls, who tend to turn off math in high school, performed as well as the boys and did not drop out. Both Wood and UBC's Robitaille caution against comparing the Canadian and American math experiences too closely. Canadian schools already teach more integrated, problem-solving techniques, especially in Alberta and British Columbia where, Robitaille says, the NCTM reforms have become mainstream and students have done particularly well on international tests. Then the politics of math in education in Canada is much more complex.

Still, the warnings of an experienced grade-school teacher like Maylene Gann are hard to ignore. Students can learn on their own in small groups, she says, referring to the cooperative learning techniques favored by the math reformers. But that does not mean they will all have absorbed the major steps in a solution. Similarly, an overemphasis on problem solving can burden students, and parents trying to help them, with too many techniques at once. "I am fully in favor of the creative learning they want to bring about. But that is not going to happen unless a child is completely comfortable with numbers. You don't expect a child to play in a musical performance without learning the scales. It's the same thing with math."

ROBERT SHEPPARD

People

Edited by
TANYA DAVIES

In his father's footsteps

Gifted Adam Cohen knew when he decided to launch a music career that his biggest challenge would be forging an identity beyond the shadow of his famous father, Leonard. But he didn't realize that his dad would also become his biggest supporter. Born in Montreal, Adam grew up in France with his mother, Suzanne Elrod, and his sister, Laura, after his parents separated when he was 5. During that time, however, Leonard was always willing to offer advice on his son's material. "Sometimes, it came through the expression on his face when I played him a song," recalls Adam, now 25 and living in Los Angeles. "Other times, it came directly from him showing me how to have a story or find a better use of language. He set an incredible standard for me to aspire to."

A standard not achieved when, starting at the age of 15, Adam formed a series of "embarrassingly bad" bands—including a group he created with Chris Stills, son of guitarist Stephen Stills, at Crosby, Stills & Nash here. "Chris and I were chemically dysfunctional," laughs Adam. "The only cohesive elements were a shared love of arrogance. We certainly realized we were competing and impeding each other's growth." After breaking up with



Stills three years ago, Adam began working with his father's management company, Stranger Music, which helped him secure a record deal with Columbia. Now, with his self-titled debut album released last month, the younger Cohen is ready to make his dad proud. "He's given me so much," says Adam, "a kind of discipline, clarity and a desire to flourish in the human condition." How does he view his father's reputation as a failed man? "It's yet another challenge for me to live up to," he says, smiling wryly.

Cohen: Leonard set an incredible standard for me to aspire to

Tales of kids and divorce

In 1993, when Montreal filmmaker and animator Joyce Borinstein started uncovering poignant subjects for a new documentary, she wasn't sure whether she would actually follow through with the project. But after talking to 80 children about the impact of their parents' divorce, Borinstein had no doubts about making *One Divided by Two: Kids and Divorce*. "I was witness to so much sadness and pain," says Borinstein. "I knew the film had to be done."

The four years of research resulted in a 24-minute documentary that features clips from nine young people talking about their parents' divorce. These are interspersed with humorous animated segments, including one that looks at the complicated world of stepfamilies by creating an extended family tree. "We didn't want the film to be so heavy that so



Borinstein: 'I was witness to so much sadness and pain'

many children in September, also features the children talking about the positive aspects of divorce, such as the fact that their parents no longer fight. And Borinstein maintains that the documentary has an uplifting tone. "The kids are obviously survivors," she says. "They come across as so resilient and wise and miraculous."

could bear to watch it," explains Borinstein, who is in her mid-40s and married to lawyer Peter Marcovitz.

Borinstein's interest in filmmaking and animation started when she studied at the California Institute of the Arts. Her 1983 short earned documentary *The Color of My Father* was nominated for an Academy Award and won a Gertrude Borinstein, currently a part-time professor of animation at Montreal's Concordia University, got the idea for the divorce project from a collection of short stories written by her cousin and collaborator, Robert Russell. The documentary, which will air on VisionTV in December and will be available to



MacDonald with Baseline Western's Fish Aid Society Association director 'yep!'

Oceanic rock' n' roll

Fish Aid will support Atlantic marine research

Arthur MacDonald is an avid angler who frequently attends concerts and festivals in Canada and the United States, including the 1994 Woodstock reunion at Yankee Stadium. He is also town planner for Vermont, a community of about 7,000 on New Scotland's southern shore where fish live or die by the fishery. Over the past two years, those two facets of MacDonald's life have coalesced in an extraordinary way: Aug. 14-15 Fish Aid Festival, an ambitious attempt to harness the economic drawing power of popular music for the benefit of the beleaguered East Coast fishery. In the first of what organizers hope will be an annual event, more than 15,000 people are expected to gather on a stunningly beautiful stretch of coastline (located near Vermont's border to water 20 ft, including Jean Arnes, Bruce Cockburn and the Rankins. The festival's proceeds—an anticipated \$300,000 to \$500,000 this year—are to be used to promote research into East Coast marine ecology. "The downturn in the fishery has been devastating for communities throughout Atlantic Canada," says MacDonald, 35. "We want to try to reignite the economy for future generations."

Cougar McElreath—donated their services and the money raised went directly to the hands of struggling fishermen. Fish Aid performers, on the other hand, are being paid their usual professional fees, and any money raised through ticket sales or sponsorships is being funneled into a nonprofit charitable foundation that will, in turn, hand out grants to qualifying research organizations. Jack Gaultreau, the festival's Halifax-based executive producer, says that because Fish Aid is trying to establish its credentials in the music business as an annual event, it was important for performers and their managers to be assured that everything was being done on a professional basis. Gaultreau, 40, himself a singer and songwriter, also believes musicians are too often asked to make economic sacrifices for their cause. As for the proceeds, he says Fish Aid organizers concluded that, in an era of government cutbacks, the best way to provide a sustainable fishing industry was to fund research into how the sector can best be managed. But Gaultreau hopes that like Farm Aid, the New Scotland festival will make public awareness about a pressing issue. "The ocean is the cradle of life," he says.

"There is nothing we can do if we screw up." While they are being nominated for their efforts, Fish Aid's feature performers told MacDonald last week they were also attracted by the cause. Toronto-based Cockburn, who is well known far beyond music with social justice and environmental activism, says he is looking forward to fishing out his "breast strokes" understanding of the East Coast fishery. "I know it is in a very depressed state because it's been overlooked," he says, "and my suspicion is that's because of bad government policies over the years." For Colby's Arnes, the festival brings back memories of her own days of working on a fishing boat off British Columbia's Queen Charlotte Islands in the early 1980s, which she describes as "the hardest work I've ever done." Arnes continues to keep close tabs on the industry. "There's no doubt that fish stocks are depleted to the point of it being an emergency," she says. "Obviously, nature is on overload and it is not replenishing itself."

In the days leading up to the festival, Yarmouth was abuzz with preparations. Extra power lines were being put in, lighting and sound systems installed and other fish inspections made at the festival site—as was the case at 12 coastal fields. In keeping with its eco-friendly theme, there will be no vehicle access to the festival site, which will include 5,000 compact cars. Instead, the Yarmouth airport is closing a runway to provide extra parking, and a fleet of shuttle buses will operate 24 hours a day, bringing passengers from the airport, town and local ferry terminal, which serves Mount.

Organizers expect the three-day event to pump between \$1 million and \$2 million into the local economy. "This will be another avenue to show people what we have here and it is a really big deal for the fishing industry," says Yarmouth Mayor Charles Crosby. Adding that effort will be a unique arrangement with Halifax-based MTV's *Sirius*, which is planning to "livecast" the festival while also using the broadcast through a real-time video and audio stream.

been a day over three days. Those who log on <http://fishaid.org> will be able to take in a whole day of East Coast music, including Rankins Cross and Leslie Gilliam. They can also take a tour of the health of the world's oceans. "It's the same water that washes upon everyone's shores," says Gaultreau. "What we have been eventually affecting people as far away as Australia."



Cockburn: 'bad policies'

Queen of the ego

AYN RAND:
A SENSE OF LIFE
Directed by Michael Patton

The new feature-length documentary about Ayn Rand could easily have been subtitled "The Woman Who Could Do No Wrong." After all, it is a propaganda piece for the writings of Rand, who died in 1982. At its best, the film allows some intriguing glimpses of the author of *The Fountainhead* and *Atlas Shrugged*—the perennial best-selling novel that continues to carry Rand's celebration of unfettered individualism to 200,000 new readers a year. *Ayn Rand: A Sense of Life*, which was nominated for an Academy Award earlier this year and just opened in Canada, estimates an old-fashioned transmutation of Rand's world only in relation to the Russian Revolution. It portrays Rand as a sort of Napoleon of the intellect. But it never catches her against more than mediocre opposition. Instead, old TV clips show her smugly back at critics from the likes of Mike Wallace and Phil Donahue, while in other interviews her disciples praise her without reserve.

Born in Russia in 1905, Rand—whose



Casper (left), Rand novels like *The Fountainhead* born with iconic individualists

original name was Alice Rosenbaum—experienced firsthand the stifling culture of the Russian Revolution. Her innate intellectual influences, the film proudly declares, were Aristotle, propaganda, stories of British heroes in colonial India, and American silent films. *Arriving in the United States in 1926*, Rand soon made her way to Hollywood. She worked as an extra for Cecil B. De Mille. One film catches her

King) before becoming a screenwriter. She also married the headstrong, courtly actor Frank O'Connor, who later publicly endured her still with her acolyte Nathaniel Branden. 23 years her junior (Branden, today a 40-year-old psychotherapist, is not interviewed in the film, having been banned by Rand's heir, Leonard Peikoff, a member of her inner circle. Peikoff—who was interviewed at length—threatened the film-makers with exclusion from her papers in the Rand Institute if they talked to Branden.)

Rand was disaffected with the collaborative nature of screenwriting and eventually turned to fiction, populating her novels with iconic individuals. (A few of her novels were turned into movies, most notably *The Fountainhead*, starring Gary Cooper.) She herself was a mesmerizing figure, someone as a young woman, growing over time determined and bulldogged as she aged. Her philosophy—which she called objectivism—continues to have a broad appeal, particularly for young people struggling to consolidate their lives. But as a philosophy for grown-ups, it seems politically one-sided. Objectivism celebrates the individual at all self-interest, and denigrates what people owe to each other and to the community. *Ayn Rand: A Sense of Life* makes these shortcomings clear, and so may be an even more helpful introduction to Rand than its makers intend.

JOHN HERSHORE

Paradise and purgatory

RETURN TO PARADISE
Directed by Joseph Kahn

The moral quandary used to be a Hollywood staple—until it was supplanted by ever darker frolics and blow-up-mall-good effects. So it is refreshing to see a movie that turns on a classic ethical dilemma: should a person undergo years of hardship and perhaps risk his life in order to save another? This is the premise of *Return to Paradise*, loosely based on the 1950 French hit *Force Majeure*, and a more-than-sensational story about a young man's discovery of his conscience. Sheriff (hot new talent) Vince Vaughn, who played the hustler in *Swingers* as a benign accomplice, a good-bye bag with little regard for others or even himself. He spends five agonizing weeks in Malaysia with the idealistic Lewis (Gael García Párraga) and by League engineer Tary (David Caruso). After the break-up, Lewis is buried for possession of the hatchet that killed their Asian stylist, and has enough of the drug to be con-

sidered a trafficker under Malaysian law. He will be executed unless at least one of his fellow parties shows up to spend some time in nasty Penang prison. Enter Beth (Uma Thurman), the lawyer who is handling Lewis's case in the United States. It is two years after his arrest, and the date of his hanging approaches. She breaks down the unfolding Sheriff and Tary in New York City, entreating them to return to Malaysia to serve three years each. At first, predictably, Sheriff will have none of it. But things get interesting as he realizes that he does have at least a vestigial soul. Among the nihil cast, Vaughn demonstrates real talent as he evokes Sheriff's journey to compassion. And Phoenix (*To Die For*) again reveals in a minimal depth as an actor. Just when the direction is mostly workmanlike, with awkward batches of reels cut. But he does clearly interpret hardship, two- or three-second glimpses of Lewis in his hotel cell with the struggles going on in New York. All in all, *Return to Paradise* offers a calm, humane escape from a symphony of movie psychotics.

PATRICK HULCHY



Peter C. Newman

Saluting the playwright who became president

I only met him once, but I've never forgotten my few private moments with Vaclav Havel, the secular saint who last week fell critically ill in Prague and, according to his doctors, may not recover.

Our brief meeting took place in Ottawa in 1980, when he was on his way to Washington to address a joint session of Congress, and he didn't have much time. But he was glad to meet someone who could speak Czech, so he wouldn't have to rely on his interpreter. (She was a tiny Oriental woman he kept tucked under his left shoulder, who was so good at her job that no local we'll whisper talked to him, she would whisper to Havel in Czech, by read his answer and reply almost instantaneously in perfect Oxford English.)

From our brief exchange, I recall only two fragments. "The Internet never to be suppressed by anything," he shrugged, when I asked how it felt for a beleaguered playwright to suddenly find himself a foreign president. "Tough question about the secret of politics," he shot back. "Write your own speeches and express hard truths in a polite way." Then he paused, and added: "Of course, everyone is reasonable."

It was not to last. Havel was one of those rare conscience-driven politicians we can't afford to lose. He kept himself removed from the darker underbelly of his craft and was never impressed by the fumes of fear. Havel believed that character is destiny and that it was therefore essential to live in a principled life, even at the risk of being imprisoned for his beliefs—which he was.

As a shy man with originally ginger-colored hair and an orange mustache (we friend joked, "Vaclav looks as if carrot juice is flowing through his veins"), he enjoyed a life of quietude as a playwright. He played were about his creation in mundane settings with universal characters. Havel started writing when he was 15, but Czech theatre was closed to him until the Velvet Revolution of 1989.

He led the powerful overthrow of the occupying Russians and in the winter of 1989 assumed Czechoslovakia's presidency. That same morning in Hradec Castle, a huge pile of palaces and cathedrals overlooking the Vltava River, which flows to Prague. Just eight months earlier, he had been serving a four-year sentence in a Communist prison for a few libelous novels.

He had been the spiritual catalyst of the bloodless revolt that swept the Communists out of power, and now he was the country's first democratic president since 1938. Being a playwright, one of the first things Havel did was to make sure everyone wore appropriate costumes. He asked his friend Theodor Patock (who

was an Academy Award for his costumes in the movie *Amadeus*) to design properly period-correct royal blue guard uniforms—complete with toy sabers—for the castle guards. When they were delivered, Havel tried one on, and yelling, "Let's go across the castle!" ran into the castle kitchen, waving his pretend weapon. He later got tied up with soldiers marching around the castle to real marching music and had one of his friends compose a jargon melody in seven-eighths time that no one could possibly march to, then insisted it be played for the changing of the guard ceremony. Hradec Castle is so huge that Havel sometimes resorted to getting around the place on a scooter, and after the first few weeks in office he agreed not to come to work in pants and received visitors wearing a polka-dot tie. (His first press secretary was Michael Zelenka, whose only claim to fame was as the author of the only study in Czech of the films of Woody Allen.)

As president, he was re-elected in 1990 and 1992. Havel granted amnesty to 20,000 prisoners, presided over the peaceful withdrawal of Soviet troops, defied public opinion by supporting the reunification of Germany, and recommended the Czech Republic's NATO application, and brought some badly needed enlightenment to a country that had not known democracy since 1938.

But his main contributions were his evocative speeches, written by himself on a word processor. Probably the best was his 1990 New Year's message: "For 40 years, on this day, you heard the same thing in different variations from my predecessors: how our country flourishes, how many towns of steel we produced, how happy we all are, how we trust our government and what bright perspectives were unfolding in front of us. I assume you did not nominate me to this office so that I, too, would be to you. Our country is not flourishing. Entire branches of industry are producing goods that are of no interest to anyone. A country that once could be proud of the educational level of its citizens spends as little on education that it exists today as 1920 in the world."

He went on like that for about 10 minutes, then came his seminal point: "Let us teach both ourselves and others that politics does not have to be the art of the possible, especially if this means the art of strategies, secret agreements and pragmatic maneuverings. But that it can also be the art of the impossible, that is the art of making both ourselves and the world better."

"Man," Havel once wrote from jail, "is called down—like Christ on the cross—to a grid of paradoxes. He balances between the torment of not knowing his mission and the joy of carrying it out."

Vaclav Havel did both. We were all the better for it, and if his current illness claims him, we shall rightly miss his empathetic presence.



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